

**CITY OF WOODHAVEN**  
**WAYNE COUNTY, MICHIGAN**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2006**

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input checked="" type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name City of Woodhaven	County Wayne
Fiscal Year End June 30, 2006	Opinion Date October 20, 2006	Date Audit Report Submitted to State December 12, 2006	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

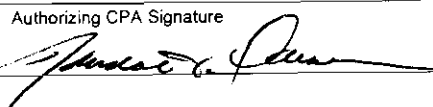
YES NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☒ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☒ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Darnell & Meyering, P.C.		Telephone Number (734) 246-9240	
Street Address 20600 Eureka Rd., Ste. 900		City Taylor	State MI
Zip 48180			
Authorizing CPA Signature 	Printed Name Randall H. Darnell	License Number 13139	

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*Certified Public Accountants*

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MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
MICHIGAN ASSOCIATION OF  
CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditors' Report

To the Mayor and Elected Officials of the Council  
City of Woodhaven  
Woodhaven, Michigan 48183

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Woodhaven as of and for the year ended June 30, 2006 which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Woodhaven's management. Our responsibility is to express opinions on these financial statements based on our audit.

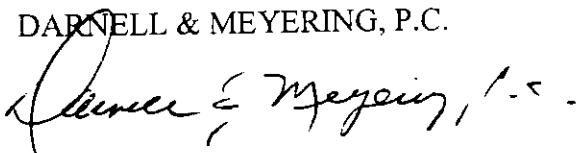
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Woodhaven, as of June 30, 2006 and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages v through xiv and 48 through 55, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinions in it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Woodhaven's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statement taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

DARNELL & MEYERING, P.C.

A handwritten signature in black ink, appearing to read "Darnell & Meyering, P.C.", is written over the printed firm name.

October 20, 2006

**City of Woodhaven**  
**Management's Discussion and Analysis (MD&A)**  
**Year ended June 30, 2006**

The management of the City of Woodhaven presents this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2006. The City encourages readers to consider the information presented here in conjunction with the additional information found within the body of the audit.

**FINANCIAL HIGHLIGHTS**

- The assets of the City of Woodhaven exceeded its liabilities at the close of the most recent fiscal year by \$83,853,024 (net assets). Of this amount \$10,977,199 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$520,781.
- As of the close of the current fiscal year, the City of Woodhaven's governmental funds reported combined ending fund balances of \$9,362,725 an increase of \$452,605 in comparison of the prior year. Approximately \$5,146,976 is available for spending at the government's discretion.
- The City of Woodhaven total debt decreased by \$648,920 (12.1%).
- State-shared revenue, our second largest revenue source, was reduced by the State of Michigan by approximately \$20,861. this year, which resulted in a percentage decline of 1.69% over the previous year. To offset this reduction in State-shared revenue, the City has left vacant positions unfilled, made cuts to departmental budgets, and put several major projects on hold. The cumulative decrease in State Shared Revenue since 2000 is approximately 17% with the City receiving \$221,759 less per year than in 2000.
- A concerted effort was focused on holding down other expenditures to balance considerable increases in medical benefits and a 3% salary increase pursuant to the various union contracts.
- The balance of the Reserve for Retirees Health, insurance is insufficient to support costs related thereto. However, the City of Woodhaven is funding as current year expense the cost of retirees health care premiums.

**OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of Net Assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net assets changed during the



most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave.)

Both of the government-wide financial statements distinguished functions of the City of Woodhaven that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Woodhaven include general government, public safety, public works, health and welfare, community economic development, and recreation and culture. The business-type activities of the City of Woodhaven include Water and Sewer, and Recreational Vehicle Storage.

The government-wide financial statements include not only the City of Woodhaven itself (known as the primary government), but also a legally separate Downtown Development Authority for which the City of Woodhaven is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 1-2 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into seven categories. They are:

- A. General Government.
- B. Special Revenue – major and local streets, community activities center, community development block grant, building inspection, and police forfeitures.
- C. Debt Service – 1991 SRF bonds, 1998 expansion bonds, 2002 general bonds, 2004 expansion bonds, Honeywell and animal shelter notes payable, capitalized lease, and compensated absences. The expansion and SRF bonds represent the City's obligation to the South Huron Valley Utility Authority.
- D. Capital Projects – capital improvements (general) fund.
- E. Enterprise – water & sewer, recreational vehicle storage.
- F. Internal Service - motor pool.
- G. Trust and Agency – employee retirement funds, tax receiving fund, court fund, payroll fund, bond compliance fund, tree planting fund, engineering fees fund, and interest fund.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term

inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Woodhaven maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, major highway and local highway, all of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Woodhaven adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 3-5 of this report.

**Proprietary funds.** The City of Woodhaven maintains three proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Woodhaven uses enterprise funds to account for its Water and Sewer operations and Recreational Vehicle Storage operations. The City's other proprietary fund, the Motor Pool, is an internal service fund. An internal service fund is an accounting device used to accumulate and allocate costs internally among the City of Woodhaven's various functions. The City of Woodhaven uses an internal service fund to account for its fleet of vehicles.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Water and Sewer fund is considered to be a major fund of the City of Woodhaven. The internal service fund is presented as a governmental fund within the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 6-9 of this report.

**Fiduciary Funds.** The trust and agency funds are fiduciary funds used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Woodhaven's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 10-11 of this report.

**Notes to the financial statements.** The notes provided additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12-38 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which is the budgetary comparison schedule of the major funds. Required supplementary information can be found on pages 39-45 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements can be found on pages 46-58 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$83,853,024 as of June 30, 2006 as compared to \$83,332,243 at June 30, 2005.

The largest portion of the City's net assets reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to the public; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City's financial position is the product of a number of transactions including the net results of its activities, the payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Net Assets for the two periods ended June 30, 2005 & 2006:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2005	2006	2005	2006	2005	2006
<b>Assets</b>						
Current and Other Assets	\$10,792,595	\$10,988,774	\$ 6,327,611	\$ 6,259,640	\$17,120,206	\$17,248,414
Noncurrent Assets	67,358,556	66,946,824	6,565,371	6,386,991	73,923,927	73,333,815
<b>Total Assets</b>	<b>\$78,151,151</b>	<b>\$77,935,598</b>	<b>\$12,892,982</b>	<b>\$12,646,631</b>	<b>\$91,044,133</b>	<b>\$90,582,229</b>
<b>Liabilities And Net Assets</b>						
Current Liabilities	1,913,529	1,625,063	1,093,355	1,019,098	3,006,884	2,644,161
Noncurrent Liabilities	4,581,112	4,069,987	123,894	15,057	4,705,006	4,085,044
<b>Total Liabilities</b>	<b>6,494,641</b>	<b>5,695,050</b>	<b>1,217,249</b>	<b>1,034,155</b>	<b>7,711,890</b>	<b>6,729,205</b>
<b>Net Assets:</b>						
Invested in Capital Assets						
Net of Related Debt	46,424,319	46,106,872	6,416,978	6,316,021	52,841,297	52,422,893
Invested in Joint Venture						
Net of Related Debt	16,556,534	16,755,034	-	-	16,556,534	16,755,034
Restricted	2,220,460	2,377,896	1,000,429	1,320,002	3,220,889	3,697,898
Unrestricted	6,455,197	7,000,746	4,258,326	3,976,453	10,713,523	10,977,199
<b>Total Net Assets</b>	<b>\$71,656,510</b>	<b>\$72,240,548</b>	<b>\$11,675,733</b>	<b>\$11,612,476</b>	<b>\$83,332,243</b>	<b>\$83,853,024</b>

Total Net Assets for the FYE 6/30/06 were \$83,853,024, representing an increase of \$520,781. This was a result of many factors including an increase in property tax revenue.

Changes in Net Assets for the two periods ended June 30, 2005 & 2006:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2005	2006	2005	2006	2005	2006
<b>Revenues</b>						
Charges for Services	\$ 2,286,363	\$ 2,205,905	\$ 2,425,235	\$ 2,420,587	\$ 4,711,598	\$ 4,626,492
Grants & Contributions	358,759	263,953	-	-	358,759	263,953
Property taxes	8,788,820	9,790,169	-	-	8,788,820	9,790,169
State-Shared Revenues	1,950,511	1,872,333	-	-	1,950,511	1,872,333
Unrestricted Investment Earni	246,275	477,730	110,171	228,809	356,446	706,539
Franchise Fees	131,710	134,995	-	-	131,710	134,995
Miscellaneous	172,333	244,456	-	-	172,333	244,456
<b>Total Revenues</b>	<b>13,934,771</b>	<b>14,989,541</b>	<b>2,535,406</b>	<b>2,649,396</b>	<b>16,470,177</b>	<b>17,638,937</b>
<b>Program Expenses</b>						
<b>Including Indirect Expenses</b>						
General Government	5,437,163	4,111,098	-	-	5,437,163	4,111,098
Public Safety	5,911,974	5,951,225	-	-	5,911,974	5,951,225
Public Works	1,998,756	3,474,927	-	-	1,998,756	3,474,927
Health and Welfare	23,862	-	-	-	23,862	-
Comm. and Econ. Dev.	34,604	89,924	-	-	34,604	89,924
Recreation and Culture	716,064	792,199	-	-	716,064	792,199
Unallocated Interest Expense	272,187	186,186	-	-	272,187	186,186
Water and Sewer	-	-	2,393,523	2,705,098	2,393,523	2,705,098
Rec. Vehicle Storage	-	-	9,649	7,555	9,649	7,555
<b>Total Expenses</b>	<b>14,394,610</b>	<b>14,605,559</b>	<b>2,403,172</b>	<b>2,712,653</b>	<b>16,797,782</b>	<b>17,318,212</b>
<b>Change in Net Assets</b>						
<b>Before Transfers &amp;</b>						
<b>Spccial Items (Deficit)</b>	<b>(459,839)</b>	<b>383,982</b>	<b>132,234</b>	<b>(63,257)</b>	<b>(327,605)</b>	<b>320,725</b>
<b>Special Items</b>						
Change in Joint Venture Invest	79,279	198,500	-	-	79,279	198,500
Gain on Sale of Assets	-	1,556	-	-	-	1,556
<b>Change in Net Assets</b>						
<b>After Transfers &amp;</b>						
<b>Special Items (Deficit)</b>	<b>\$ (380,560)</b>	<b>\$ 584,038</b>	<b>\$ 132,234</b>	<b>\$ (63,257)</b>	<b>\$ (248,326)</b>	<b>\$ 520,781</b>

## Comments on Budget Comparison

- General fund budget expenditures compared to actual varied slightly from line item to line item with the ending actual balance being \$1,863,524 less than budget or approximately 14.3%.

## General Fund Revenue

The majority of revenue was derived from tax collections and state shared revenues. Some miscellaneous revenue is received from interest income, recreation fees, district court revenue, licenses and fees, rents and royalties.

**Business-Type Activities.** Business-type activities had a decrease in net assets of \$63,257. Key elements of this decrease are as follows:

- Revenues were \$2,649,396.
- Expenses were \$2,712,653.
- An increase in usage by customers of the City's water and sewer department was to a degree offset by a decrease permits and fees. The decrease in permits and fees is due to reduced construction activity in the downtown area.

## Financial Analysis of the Government's Funds

As noted earlier, the City of Woodhaven uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City of Woodhaven's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Woodhaven's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Woodhaven's governmental funds reported combined ending fund balances of \$9,362,725 an increase of \$452,605 in comparison with the prior year. \$4,993,918 constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) the subsequent year budget, 2) prepaid expenditures, 3) other various restrictions and designations.

The general fund is the chief operating fund of the City of Woodhaven. At the end of the current fiscal year, unreserved fund balance of the general fund was \$1,778,121, while total fund balance reached \$6,146,928. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures.

**Proprietary funds.** The City of Woodhaven's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water and Sewer fund at the end of the year amounted to \$3,856,751. Other factors concerning the finances of this fund has already been addressed in the discussion of the City of Woodhaven's business-type activities.

## **Budget Allocation**

The General Fund pays for most of the City's governmental services. The most significant are police and fire, which incurred expenses of approximately \$5.8 million in 2006, not including health insurance and retirement contributions. Other government services accounted for in the General Fund includes general government (City Clerk, Administration, Treasurer) Department of Public Service and Recreation. General Fund expenditures increased by approximately \$244,000 due to increased costs for the animal shelter and within the general government.

61% of the City's General Fund is devoted to the wages and benefits, while 35.6% of the General Fund is allocated to the current operating expenditures. The remainder of the budget, approximately 3.4%, was expended for debt service of the South Huron Valley Utility Authority.

## **Budgetary Implications**

The budget is impacted by a number of factors that are outside the City's control. The City in recent years has experienced a decline in the State Shared Revenues received by the State of Michigan. Those State Shared revenues have a significant impact on the ability of the City to provide much needed services to its citizens. Additionally, the City has experienced an increase in the health care premiums for its employee's as well as its eligible retiree's.

Due to Proposal A limitations and the Headlee Amendment, the growth of tax revenues other than property transfers is limited to the consumer Price Index (CPI) for the corresponding year. Lastly, the City has experienced a 3% increase in employee wages due to present Union Contracts that are presently in place.

## **Capital Asset and Debt Administration**

**Capital assets.** The City of Woodhaven's investment in capital assets for its governmental and business type activities as of June 30, 2006 amounts to \$56,578,781 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, furniture and fixtures, park facilities, roads, highways, and bridges. The total decrease in the City of Woodhaven's investment in capital assets for the current fiscal year was 1 percent, which resulted primarily from the current year depreciation expense.

Major capital asset events during the current fiscal year included the following:

- Installations of water meters amounting to \$105,906 were installed in the city to improve the efficiency of the water distribution system.
- New vehicles, including 2 ambulances, were purchased for \$399,238 in the internal services fund (motor pool).

The following information represents data about capital assets. More detailed information about capital assets can be found in Note 4 to the financial statements. Total depreciation expense for the year was \$1,152,728 for governmental activities and \$284,286 for business activities.

	Governmental Activities	Business-Type Activities	2006 Total	2005 Total
Land	\$ 31,615,955	\$ 11,500	\$31,627,455	\$31,627,455
Buildings	8,647,369	394,631	9,042,000	9,332,663
Site Improvements	205,692	17,141	222,833	240,815
Vehicles & Equipment	1,247,028	-	1,247,028	1,150,862
Furniture & Fixtures	39,973	8,695	48,668	65,973
Infrastructure	8,435,773	5,955,024	14,390,797	14,949,625
Totals	\$ 50,191,790	\$ 6,386,991	\$56,578,781	\$57,367,393

The following table presents information regarding the outstanding debt:

	Governmental Activities	Business-Type Activities	2006 Total	2005 Total
General Obligation Bonds	\$ 2,850,000	\$ -	\$ 2,850,000	\$2,900,000
Notes Payable	1,234,918	70,970	1,305,888	1,626,096
Compensated Absences	495,314	22,586	517,900	796,612
Totals	\$ 4,580,232	\$ 93,556	\$ 4,673,788	\$5,322,708

### **Economic Factors and Next Year's Budget**

General Fund budget expenditures are expected to increase 7.74% to \$13,967,597. The incremental increases in wages, benefits, and debt repayment will have the most significant impact on the 2006 - 2007 budget as well as future operating budgets. The City is currently negotiating with three labor unions, completion of which should take place in fiscal 2006 - 07. Emphasis of such negotiations is on wages and fringe benefits.

The City is obligated with seven other local communities for the construction of an equalization basin as part of the South Huron Valley Utility Authority to control excess sewage flow during peak water events. The City's obligation to this project in 2006 - 2007 is \$500,282 for payments on the Authority's outstanding bonds. Additionally, the City has agreed to a joint venture with the City of Trenton to operate an animal shelter.

The City is anticipating further reductions to State shared revenue, due to the State of Michigan attempting to reduce their budget deficits. If further reductions take place, the City is prepared to make necessary adjustments in its general fund budget to offset the reduction.



Commercial development proposals have been received and approved which should provide an increase in various fees during fiscal 2006 - 07 while gradually increasing tax revenue beginning in fiscal 2008.

The City will maintain its millage rate 18.33 for 2006 - 2007. The City will maintain the water and sewer rates at \$3.87 per thousand gallons

**Contacting the City's Management**

This financial report is intended to provide citizens, taxpayers, customers and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. For additional questions about this report or additional information, requests should be directed to the City Administrator (734) 675-4932 or mail to 21869 West Road, Woodhaven, MI 48183.

City of Woodhaven  
Statement of Net Assets  
June 30, 2006

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Dev. Authority
<b>Assets</b>				
Current Assets:				
Cash	\$ 1,093,367	\$ 153,213	\$ 1,246,580	\$ 246,715
Cash Equivalents	6,230,805	4,368,030	10,598,835	2,677,698
Receivables				
Taxes Receivable	428,244	-	428,244	-
Accounts Receivable	124,270	283,011	407,281	-
Accrued Interest	14,883	12,768	27,651	10,645
Intergovernmental	504,169	-	504,169	432
Due From Agency Funds	42,889	-	42,889	-
Inventory	3,294	118,902	122,196	-
Prepaid Expenditures	168,957	3,714	172,671	-
<b>Total Current Assets</b>	<b>8,610,878</b>	<b>4,939,638</b>	<b>13,550,516</b>	<b>2,935,490</b>
Restricted Assets:				
Cash and Cash Equivalents	2,377,896	1,320,002	3,697,898	-
<b>Total Restricted Assets</b>	<b>2,377,896</b>	<b>1,320,002</b>	<b>3,697,898</b>	<b>-</b>
Noncurrent Assets:				
Capital Assets Not Being Depreciated	31,615,955	11,500	31,627,455	-
Capital Assets Being Depreciated	54,721,414	12,213,687	66,935,101	-
Less Accumulated Depreciation	(36,145,579)	(5,838,196)	(41,983,775)	-
Investment in Joint Venture - SHVUA	16,265,832	-	16,265,832	-
Investment in Joint Venture - 33rd District Court	489,202	-	489,202	-
<b>Total Noncurrent Assets</b>	<b>66,946,824</b>	<b>6,386,991</b>	<b>73,333,815</b>	<b>-</b>
<b>Total Assets</b>	<b>77,935,598</b>	<b>12,646,631</b>	<b>90,582,229</b>	<b>2,935,490</b>

	Primary Government		Component Unit
	Governmental Activities	Business-type Activities	Downtown Dev. Authority
<b>Liabilities</b>		<b>Total</b>	
Current Liabilities:			
Accounts Payable	140,981	196,467	337,448
Accrued Salaries Payable	22,920	7,487	30,407
Due to Retirement Fund	937,956	80,230	1,018,186
Due to General Fund	-	-	-
Accrued Interest Payable	44,337	-	44,337
Internal Balances, Governmental & Business-type	(31,376)	31,376	-
Deposits Payable	-	625,039	625,039
Current Portion of Compensated Absences	155,606	7,529	163,135
Current Portion of Notes Payable	254,639	70,970	325,609
Current Portion of Bonds Payable	100,000	-	100,000
Total Current Liabilities	1,625,063	1,019,098	2,644,161
Noncurrent Liabilities:			
Compensated Absences	339,708	15,057	354,765
Notes Payable	980,279	-	980,279
Bonds Payable	2,750,000	-	2,750,000
Total Noncurrent Liabilities	4,069,987	15,057	4,085,044
Total Liabilities	5,695,050	1,034,155	6,729,205
Net Assets:			
Invested in Capital Assets Net of Related Debt	46,106,872	6,316,021	52,422,893
Invested in Joint Ventures Net of Related Debt	16,755,034	-	16,755,034
Restricted for:			
Debt Service	337,415	-	337,415
Capital Projects	1,150,323	1,320,002	2,470,325
Other	890,158	-	890,158
Unrestricted	7,000,746	3,976,453	10,977,199
Total Net Assets	72,240,548	11,612,476	83,853,024
Total Liabilities and Net Assets	\$ 77,935,598	\$ 12,646,631	\$ 90,582,229
			\$ 2,935,490

The accompanying notes are an integral part of the financial statements.

City of Woodhaven  
Statement of Activities  
Year Ended June 30, 2006

Functions/programs	Net (Expense) Revenue and Changes in Net Assets						
	Program Revenues			Primary Government			Component Unit
	Expenses	Charges for Services	Operating Grants & Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental activities:							
General Government	\$ 4,111,098	\$ 1,568,218	\$ -	\$ 2,542,880	- (\$	2,542,880)	-
Public Safety	5,951,225	331,257	201,533	( 5,418,435)	- (	5,418,435)	-
Highways and Streets	3,474,927	91,443	-	( 3,383,484)	(	3,383,484)	-
Community and Economic Devl.	89,924	-	62,420	( 27,504)	- (	27,504)	-
Recreation and Culture	792,199	214,987	-	( 577,212)	- (	577,212)	-
Unallocated Interest Expense	186,186	-	-	( 186,186)	- (	186,186)	-
Total Governmental Activities	14,605,559	2,205,905	263,953	( 12,135,701)	- (	12,135,701)	-
Business-type activities:							
Water and Sewer	2,705,098	2,401,709	-	- (	303,389)	( 303,389)	-
Recreational Vehicle Storage	7,555	18,878	-	-	11,323	11,323	-
Total Business-type activities	2,712,653	2,420,587	-	- (	292,066)	( 292,066)	-
Total primary government	\$ 17,318,212	\$ 4,626,492	\$ 263,953	\$ 12,135,701	\$ 292,066	\$ 12,427,767	-
Component unit:							
Downtown Development Auth.	\$ 257,378	-	-	-	-	-	( 257,378)
	\$ 257,378	-	-	-	-	-	( 257,378)

Functions/programs	Program Revenues			Primary Government		Component Unit Downtown Dev. Authority
	Expenses	Charges for Services	Operating Grants & Contributions	Governmental Activities	Business-Type Activities	
				Total		
General Revenues:						
Property taxes				9,790,169	-	9,790,169
State-Shared Revenues				1,872,333	-	1,872,333
Unrestricted Investment Earnings				477,730	228,809	706,539
Franchise Fees				134,995	-	134,995
Miscellaneous				244,456	-	244,456
Within Primary Government				-	-	-
Special Item - Change in SHVUA Joint Venture				284,694		284,694
Special Item - Change in 33rd D.C. Joint Venture				( 86,194)	(	86,194)
Special Item - Gain on Sale of Assets				1,556	-	1,556
Total General Revenues				12,719,739	228,809	12,948,548
Change in Net Assets				584,038	( 63,257)	520,781
Net Assets, Beginning of Year				71,656,510	11,675,733	83,332,243
Net Assets, End of Year				\$ 72,240,548	\$ 11,612,476	\$ 83,853,024
						\$ 2,928,536

The accompanying notes are an integral part of the financial statements.

City of Woodhaven  
Balance Sheet  
Governmental Funds  
June 30, 2006

	General Fund	Major Highway Fund	Local Highway Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash	\$ 267,528	\$ 516,328	\$ 116,641	\$ 180,924	\$ 1,081,421
Cash Equivalents	3,345,030	1,328,846	6,668	1,077,582	5,758,126
<b>Receivables:</b>					
Taxes Receivable	428,244	-	-	-	428,244
Accounts Receivable	124,270	-	-	-	124,270
Accrued Interest	12,558	300	-	1,370	14,228
Intergovernmental	398,970	66,401	32,756	17,214	515,341
Due From Other Funds	184,116	-	95,012	18,272	297,400
Prepaid Expenses	153,058	-	-	-	153,058
<b>Restricted Assets:</b>					
Cash & Cash Equivalents	2,377,896	-	-	-	2,377,896
<b>Total Assets</b>	<b>7,291,670</b>	<b>1,911,875</b>	<b>251,077</b>	<b>1,295,362</b>	<b>10,749,984</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts Payable	123,426	83	168	14,904	138,581
Accrued Payroll	21,292	-	-	1,628	22,920
Due to Other Governments	15,916	-	-	-	15,916
Due To Other Funds	984,108	99,703	88,795	37,236	1,209,842
<b>Total Liabilities</b>	<b>1,144,742</b>	<b>99,786</b>	<b>88,963</b>	<b>53,768</b>	<b>1,387,259</b>

Fund Balances:									
Reserve For:									
Prepaid Expenditures	153,058								153,058
Restricted Reserves	2,377,896	-	-	-	-	-	-	-	2,377,896
Designated - General Obligation Debt	710,382	-	-	-	-	-	-	-	710,382
Designated - Subsequent Years	1,127,471	-	-	-	-	-	-	-	1,127,471
Undesignated	1,778,121	1,812,089	162,114	1,241,594					4,993,918
Total Fund Balances	6,146,928	1,812,089	162,114	1,241,594					9,362,725
Total Liabilities and Fund Balances									
\$	7,291,670	\$	1,911,875	\$	251,077	\$	1,295,362	\$	10,749,984

9,362,725

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are financial resources and are not reported in the funds

86,337,369  
( 36,145,579)

50,191,790

Internal service fund assets and liabilities are included in governmental activities in the statement of net assets.

Internal service fund assets, excluding net capital assets

Internal service fund liabilities

( 30,895)  
557,966

527,071

Investments in Joint Ventures, SHVUA &amp; 33rd District Court

16,755,034

Long term liabilities are not due and payable in the current period and are not reported in the funds

Compensated absences and severance benefits, excluding internal service fund  
Long term obligations  
Accrued interest payable is not included as a liability in governmental funds

( 466,817)  
( 4,084,918)  
( 44,337)

Net assets of governmental activities

---

\$ 72,240,548

The accompanying notes are an integral part of the financial statements.

City of Woodhaven  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
June 30, 2006

	General Fund	Major Highway Fund	Local Highway Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 9,790,169	\$ -	\$ -	\$ -	\$ 9,790,169
Interest Income	354,941	57,320	6,767	43,844	462,872
Federal Grants	-	-	-	62,420	62,420
State Sources	1,271,817	402,137	198,379	-	1,872,333
Program Fees	-	-	-	381,400	381,400
Licenses	69,065	-	-	-	69,065
Franchise Fees	134,995	-	-	-	134,995
Other Revenues	1,275,244	-	-	270,158	1,545,402
<b>Total Revenues</b>	<b>12,896,231</b>	<b>459,457</b>	<b>205,146</b>	<b>757,822</b>	<b>14,318,656</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General Government	2,528,460	-	-	390,846	2,919,306
Public Safety	5,762,211	-	-	36,769	5,798,980
Highways & Streets	2,066,561	32,877	1,339,768	-	3,439,206
Community & Economic Devel.	27,504	-	-	62,420	89,924
Recreation & Culture	715,493	-	-	9,288	724,781
Capital Outlay	-	-	-	-	-
Community Activities	-	-	-	1,851	1,851
Police Forfeitures	-	-	-	53,665	53,665
Capital Improvement	-	-	-	102,823	102,823
Debt Payments:	-	-	-	-	-
Principal	-	-	-	292,786	292,786
Interest	-	-	-	188,092	188,092
<b>Total Expenditures</b>	<b>11,100,229</b>	<b>32,877</b>	<b>1,339,768</b>	<b>1,138,540</b>	<b>13,611,414</b>



Excess (Deficiency) of Revenues Over Expenditures	1,796,001	426,580	(	1,134,622)	(	380,718)	707,241	
Other Financing Sources (Uses):								
Transfer from Major Highway	-	-		100,534		-	100,534	
Transfer from General Fund	-	-		714,061		484,801	1,198,862	
Transfer to Local Highway	(	714,061)	(	100,534)		-	(	814,595)
Transfer to Internal Service	(	254,636)		-		-	(	254,636)
Transfer to Debt Service	(	484,801)		-		-	(	484,801)
Total Other Financing Sources (Uses):	(	1,453,498)	(	100,534)		484,801	(	254,636)
Net Change in Fund Balances								
	342,503	326,046	(	320,027)		104,083	452,605	
Fund Balances								
Beginning of Year	5,804,425	1,486,043		482,141		1,137,511	8,910,120	
End of Year	\$ 6,146,928	\$ 1,812,089	\$	162,114	\$	1,241,594	\$ 9,362,725	

The accompanying notes are an integral part of the financial statements.

City of Woodhaven  
Reconciliation of the Statement of Revenues,  
Expenditures and Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
Year Ended June 30, 2006

Net change in fund balances total governmental funds \$ 452,605

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures in the statement of activities. These costs are allocated over their estimated useful lives as depreciation. Losses and gains on disposals of assets are not used in governmental funds.

Depreciation expense, excluding internal service depreciaton	(926,901)
Capital outlay	158,339
Gain on asset disposals, excluding internal service fund	400

Repayments of principal on long-term debt is an expenditure in the governmental funds, but not in the statement of activities (where it is a reduction of liabilities)

Repayments of SHVUA debt principal	292,786
Accrued interest payable beginning of the year	(297,993)
Accrued interest payable end of the year	47,822
	(44,337)

Compensated absences are reported on the accrual method in the statement of activities, and recorded as an expenditure when the financial resources are used in the governmental funds:

Accrued compensated absences beginning of the year	726,904
Accrued compensated absences end of the year	(495,314)
Accrued compensated absences internal service fund	28,497

Net revenue of internal service fund reported in governmental activities 188,094

Transfer to internal service fund reported in governmental activites 254,636

Change in joint venture investments 198,500

Change in net assets of governmental activities	\$ 584,038
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City of Woodhaven  
Statement of Net Assets  
Proprietary Funds  
June 30, 2006

	Business-type Activities Enterprise Funds			Governmental Activities
	Recreational			Internal
	Water & Sewer	Vehicle Storage	Total	Service
Assets				
Current Assets:				
Cash	\$ 115,938	\$ 37,275	\$ 153,213	\$ 11,946
Cash equivalents	4,285,461	82,569	4,368,030	472,677
Accounts receivable - net of allowances	283,011	-	283,011	-
Accrued interest receivable	12,768	-	12,768	655
Inventory	118,902	-	118,902	3,294
Prepaid expenses	3,714	-	3,714	15,899
Due from other funds	-	-	-	53,495
Total Current Assets	4,819,794	119,844	4,939,638	557,966
Restricted Assets:				
Restricted cash equivalents	1,320,002	-	1,320,002	-
Total Restricted Assets	1,320,002	-	1,320,002	-
Noncurrent Assets:				
Capital assets	12,192,282	32,905	12,225,187	3,757,335
Less accumulated depreciation	5,831,824	6,372	5,838,196	3,021,564
Total Noncurrent Assets	6,360,458	26,533	6,386,991	735,771
Total Assets	\$ 12,500,254	\$ 146,377	\$ 12,646,631	\$ 1,293,737

The accompanying notes are an integral part of the financial statements.

City of Woodhaven  
Statement of Net Assets  
Proprietary Funds  
June 30, 2006

	Business-type Activities Enterprise Funds			Governmental Activities
	Recreational			Internal Service
	Water & Sewer	Vehicle Storage	Total	
Liabilities				
Current Liabilities:				
Accounts payable	\$ 196,467	-	\$ 196,467	\$ 2,398
Accrued payroll	7,345	142	7,487	-
Due to general fund	6,994	-	6,994	-
Due to retirement fund	80,230	-	80,230	-
Due to internal service	24,382	-	24,382	-
Deposits payable	625,039	-	625,039	-
Note payable-current portion	70,970	-	70,970	-
Compensated absences-current portion	7,529	-	7,529	-
Total Current Liabilities	<u>1,018,956</u>	<u>142</u>	<u>1,019,098</u>	<u>2,398</u>
Noncurrent Liabilities				
Compensated absences payable	15,057	-	15,057	28,497
Total Noncurrent Liabilities	<u>15,057</u>	<u>-</u>	<u>15,057</u>	<u>28,497</u>
Total Liabilities	<u>1,034,013</u>	<u>142</u>	<u>1,034,155</u>	<u>30,895</u>
Net Assets				
Invested in capital assets, net of related debt	6,289,488	26,533	6,316,021	735,771
Restricted for depreciation and super sewer	1,320,002	-	1,320,002	-
Unrestricted	3,856,751	119,702	3,976,453	527,071
Total Net Assets	<u>11,466,241</u>	<u>146,235</u>	<u>11,612,476</u>	<u>1,262,842</u>
Total Liabilities & Net Assets	<u>\$ 12,500,254</u>	<u>\$ 146,377</u>	<u>\$ 12,646,631</u>	<u>\$ 1,293,737</u>

The accompanying notes are an integral part of the financial statements.

City of Woodhaven  
Statement of Revenues, Expenses  
And Changes in Net Assets  
Proprietary Funds  
June 30, 2006

	Business-type Activities Enterprise Funds			Governmental Activities
	Recreational			Internal
	Water & Sewer	Vehicle Storage	Total	Service
Operating Revenues:				
Charges for services	\$ 2,401,709	\$ 18,878	\$ 2,420,587	\$ 673,700
Miscellaneous	-	-	-	17,104
Total Operating Revenues	<u>2,401,709</u>	<u>18,878</u>	<u>2,420,587</u>	<u>690,804</u>
Operating Expenses:				
Wages and benefits	567,579	6,372	573,951	245,227
Operations and maintenance	1,850,410	86	1,850,496	302,306
Depreciation	283,189	1,097	284,286	225,827
Interest	3,920	-	3,920	-
Total Operating Expenses	<u>2,705,098</u>	<u>7,555</u>	<u>2,712,653</u>	<u>773,360</u>
Net Operating Income (Loss)	<u>( 303,389)</u>	<u>11,323</u>	<u>( 292,066)</u>	<u>( 82,556)</u>
Nonoperating Revenue:				
Gain on disposal of equipment	-	-	-	1,156
Transfer from General Fund				254,636
Interest on investments	<u>225,309</u>	<u>3,500</u>	<u>228,809</u>	<u>14,858</u>
Total Nonoperating Revenue	<u>225,309</u>	<u>3,500</u>	<u>228,809</u>	<u>270,650</u>
Change in Net Assets	<u>( 78,080)</u>	<u>14,823</u>	<u>( 63,257)</u>	<u>188,094</u>
Total Net Assets, beginning of year	<u>11,544,321</u>	<u>131,412</u>	<u>11,675,733</u>	<u>1,074,748</u>
Total Net Assets, end of year	<u>\$ 11,466,241</u>	<u>\$ 146,235</u>	<u>\$ 11,612,476</u>	<u>\$ 1,262,842</u>

The accompanying notes are an integral part of the financial statements.

City of Woodhaven  
Proprietary Fund Type Statements of Cash Flows  
For the Year Ended June 30, 2006

	Business-type Activities Enterprise Funds			Governmental Activities
	Recreational			Internal
	Water & Sewer	Vehicle Storage	Total	Service
Cash flows from operating activities:				
Cash received from customers	\$ 2,402,221	\$ 18,878	\$ 2,421,099	\$ -
Cash paid to suppliers	( 1,627,628)	( 172)	( 1,627,800)	( 318,345)
Cash paid to employees	( 669,305)	( 6,377)	( 675,682)	( 253,291)
Cash received from interfund services provided	-	( 4,284)	( 4,284)	637,309
Cash paid for internal services used	( 142,906)	-	( 142,906)	-
Net cash provided by operating activities	( 37,618)	8,045	( 29,573)	65,673
Cash flows from capital and related financing activities:				
Transfer from other funds	-	-	-	254,636
Proceeds from sale of assets	-	-	-	9,637
Purchases of capital assets	( 105,906)	-	( 105,906)	( 399,238)
Principal paid on capital debt	( 77,423)	-	( 77,423)	-
Interest paid on capital debt	( 3,920)	-	( 3,920)	-
Net cash (used) for capital and related financing activities	( 187,249)	-	( 187,249)	( 134,965)
Cash flows from investing activities				
Proceeds from sale of investments	-	1,066	1,066	41,994
Purchase of investments	( 610,800)	-	( 610,800)	-
Interest and dividends	219,332	3,500	222,832	14,299
Net cash provided (used) by investing activities	( 391,468)	4,566	( 386,902)	56,293
Net increase (decrease) in cash and cash equivalents	( 616,335)	12,611	( 603,724)	( 12,999)
Cash at beginning of year	732,273	24,664	756,937	24,945
Cash at end of year	\$ 115,938	\$ 37,275	\$ 153,213	\$ 11,946
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (303,389)	\$ 11,323	\$ (292,066)	\$ (82,556)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	283,189	1,097	284,286	225,827
Interest paid on capital debt	3,920	-	3,920	-
Accrued sick pay	( 47,122)	-	( 47,122)	( 6,281)
Changes in assets and liabilities:				
Accounts receivable	69,903	-	69,903	-
Inventory	9,898	-	9,898	-
Due from other funds	-	-	-	( 53,495)
Prepaid expenses	157	-	157	17,175
Accounts and other payables	19,763	( 85)	19,678	( 2,028)
Accrued payroll / taxes	464	( 5)	459	( 1,785)
Deposits payable	( 69,391)	-	( 69,391)	-
Due to other funds	( 5,010)	( 4,285)	( 9,295)	( 31,184)
Net cash provided by operating activities	(\$ 37,618)	\$ 8,045	(\$ 29,573)	\$ 65,673

The accompanying notes are an integral part of the financial statements.

City of Woodhaven  
Statement of Net Assets  
Fiduciary Funds  
June 30, 2006

	Pension Trust Funds	Agency Funds
	<u>          </u>	<u>          </u>
Assets:		
Cash & Cash Equivalents	\$ 773,760	\$ 1,997,249
Investments	17,238,653	-
Accrued Interest & Dividends	71,952	2,413
Due From Other Funds	1,072,210	-
Total Assets	<u>\$ 19,156,575</u>	<u>\$ 1,999,662</u>
Liabilities and Net Assets		
Liabilities:		
Due to General Fund	-	\$ 42,889
Due to Retirement Fund	-	54,025
Due to other governments		3,635
Deferred Revenue	-	42,698
Taxes Payable	-	25
Bond Compliance Deposits	-	1,176,265
Obligations to Employees		
Retirees Benefits	-	680,125
Total Liabilities	<u>-</u>	<u>\$ 1,999,662</u>
Net Assets:		
Net Assets Held in Trust	<u>\$ 19,156,575</u>	
Total Net Assets	<u>\$ 19,156,575</u>	

The accompanying notes are an integral part of the financial statements.

City of Woodhaven  
Statement of Changes in Net Assets  
Fiduciary Funds  
Year Ended June 30, 2006

	Pension Trust Funds
	<u>                    </u>
ADDITIONS:	
Contributions	
Employer	\$ 1,152,632
Plan member	235,615
Total contributions	<u>1,388,247</u>
Investment Income	
Net appreciation in fair value of investments	553,521
Interest and dividends	540,020
Gain (loss) on sale of investments	607,879
Other Receipts	1,148
Total investment income	<u>1,702,568</u>
Accrued (contributions)	(179,203)
Investment expense	<u>(55,581)</u>
 TOTAL ADDITIONS	 <u>2,856,031</u>
 DEDUCTIONS:	
Benefits	<u>1,100,864</u>
TOTAL DEDUCTIONS	<u>1,100,864</u>
 CHANGE IN NET ASSETS	 1,755,167
 NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
Beginning of Year	17,401,408
End of Year	<u><u>\$ 19,156,575</u></u>



CITY OF WOODHAVEN  
Notes to the Financial Statements  
June 30, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**A. Reporting Entity**

The City of Woodhaven, Michigan is a municipal corporation governed by an elected mayor and six-member council. The accompanying financial statements present the government and its component unit, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the government's operations. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

Discretely Presented Component Unit

The component unit column in the combined financial statements includes the financial data of the City's component unit.

<u>Fund</u>	<u>Year End</u>
City of Woodhaven Downtown Development Authority	June 30, 2006

All of the financial information was derived from audited annual financial statements. The Downtown Development Authority adopts the modified accrual basis of accounting.

Act 197 of Public Acts of 1975 of the State of Michigan, commonly referred to as the Downtown Development Authority Act, was created in part to correct and prevent deterioration of business districts; to promote economic growth and revitalization; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation of the authority; to authorize the levy and collection of taxes, the issuance of bonds and the use of tax increment financing in the accomplishment of specific downtown development activities contained in locally-adopted development plans.

The Act seeks to attack problems of urban decline, strengthen existing areas and encourage new private developments in the downtown districts of Michigan communities. It seeks to accomplish this goal by providing communities with the necessary legal, monetary and organizational tools to revitalize downtown districts either through public-initiated projects or in concert with privately motivated development projects. The manner in which downtown development authorities chose to make use of these tools does, of course, depend on the problems and opportunities facing each particular downtown district and the development priorities sought by the community in the revitalization of its business area.

CITY OF WOODHAVEN  
Notes to the Financial Statements  
June 30, 2006  
(continued)

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**D. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are

CITY OF WOODHAVEN  
Notes to the Financial Statements  
June 30, 2006  
(continued)

collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service

expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**The City of Woodhaven reports the following major governmental funds:**

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The *Major Highway Fund* is a special revenue fund used to account for funds used for major highway projects.

The *Local Highway Fund* is a special revenue fund used to account for funds used for local highway projects.

**The City has the following major business-type fund:**

Water and Sewer is used to account for operations (a) that are financed and operated in a manner similar to private business enterprise – where the intent of the governing body is that the costs expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The City also has an Internal Service Fund. The Internal Service Fund is used to account for motor vehicle services provided to all City departments by the Motor Pool.

CITY OF WOODHAVEN  
Notes to the Financial Statements  
June 30, 2006  
(continued)

**Additionally, the City of Woodhaven reports the following fund types:**

Fiduciary Funds account for assets held by the government in a trustee capacity or as an agent on behalf of others.

Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity.

The Pension Trust Funds (Defined Benefit and Defined Contribution) accounts for the activities of the municipal employees retirement system, which accumulates resources for pension, benefit payments.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the opinion of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's internal service function and various other functions of the

government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) changes to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer fund, and of the government's internal service funds are changes to customers for sales and services. The water and sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting

CITY OF WOODHAVEN  
Notes to the Financial Statements  
June 30, 2006  
(continued)

new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

**E. Assets, Liabilities, and Net Assets or Equity**

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The City reports its investments in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and GASB Statement No. 40, *Deposit and Investment Risk Disclosure*. Under these standards, certain investments are valued at fair value as determined by quoted market prices, or by estimated fair values when quoted market prices are not available. The standards also provide that certain investments are valued at cost (or amortized cost) when they are of a short-term duration, the rate of return is fixed, and the City intends to hold the investment until maturity.

Act 217, P.A. 1982, authorizes the City to deposit and invest in:

1. Bonds and other direct obligations of the United States or its agencies;
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of federally insured banks, insured savings and loan associations, or credit unions insured by the national credit union administration that are eligible to be depository of surplus money belonging to the State under Section 5 or 6 of Act 105, P.A. 1855, as amended (MCL 21.145 and 21.146);
3. Commercial paper rated at time of purchase within the three highest classifications established by not less than two standard rating services. Maturity cannot be more than 270 days after purchase and not more than 50 percent of any fund may be invested in commercial paper at any time;
4. United States government or Federal agency obligation repurchase agreements;
5. Banker's acceptance of United States banks;
6. Mutual funds composed of investments, which are legal for direct investments by local units of government in Michigan.

CITY OF WOODHAVEN  
Notes to the Financial Statements  
June 30, 2006  
(continued)

Cash is held in the name of the City. These deposits are subject to custodial credit risk. This is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City minimizes custodial credit risk on deposits by assessing the credit worthiness of the individual institutions in which it deposits funds. The amount of deposits with each institution is assessed to determine the level of risk it may pose to the City in relation to deposits in excess of insured amounts.

At year-end, the City's carrying amount of deposits restricted and unrestricted were \$21,238,735. The carrying amount consisted of \$9,702,068 in governmental activities, \$5,841,245 in business-type activities, \$2,924,413 in the component unit, and \$2,771,009 in agency funds. The total bank balances were \$20,731,942, of which \$20,331,942 was uninsured and uncollateralized. The City places its deposits with high quality financial institutions. Although such deposits exceed federally insured limits, they are in the opinion of the City, subject to minimal risk.

100% of the City's investments are contained in entities that are within the State of Michigan or considered to be located in the State of Michigan.

The risk categories referred to below are as follows:

1. Insured or registered, or securities held by the City or the City's agent in the City's name.
2. Uninsured and unregistered, with securities held by the Dealer's Trust Department or its agent in the City's name.
3. Uninsured and unregistered, with securities held by the Dealer, or in the Dealer's Trust Department or agent but not in the City's name.

2. Receivables and Payables

In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds). Any residual balances between the governmental activities are reported in the government-wide financial statements as "internal balances."

CITY OF WOODHAVEN  
Notes to the Financial Statements  
June 30, 2006  
(continued)

3. Fund Equity Balances – Restricted Assets

The fund equity balances have been classified to reflect the limitations and restrictions placed on the respective Funds as follows:

Unreserved:

Undesignated - Represents the remainder of the City's equity and uncommitted as of June 30, 2006.

4. Capital Assets

Capital assets include property, plant, and equipment. These are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Depreciation on all assets is provided using the straight-line method over the following useful lives:

Buildings	40 years
Site Improvement	20-40 years
Vehicles	5 years
Other Equipment	5-20 years
Furniture & Fixtures	5-15 years
Infrastructure	40 years

5. Compensated Absences (Vacation and Sick Leave)

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

CITY OF WOODHAVEN  
Notes to the Financial Statements  
June 30, 2006  
(continued)

Accounting for Compensated Absences, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. It is the City's policy to permit employees to accumulate a limited amount of earned but unused sick leave, which will be paid to employees upon separation from City service. In governmental and fiduciary funds, the cost of the sick leave is recognized when payments are made and expected within a year. Liability of \$495,314 of accrued sick and vacation leave at June 30, 2006, has been recorded in the government-wide financial statements, representing the "City" commitment to such costs from future operations. Proprietary Funds accrue sick leave in the period it is earned.

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

7. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for the amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

Before June 30, the proposed budget is presented to the government's council for review. The government's council holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. The government's manager or the revenue estimates must be changed by an affirmative vote of a majority of the government's council must within the revenues and reserves estimate any changes in the budget as available. The budget, as presented, has been amended. Supplemental appropriations were made during the year with the last one approved prior to June 30.



CITY OF WOODHAVEN  
Notes to the Financial Statements  
June 30, 2006  
(continued)

Expenditures may not legally exceed budgeted appropriations at the activity level. During the fiscal year ended June 30, 2006, expenses exceeded appropriations in three activities in the General Fund:

Animal Shelter	\$ 88,762
Justice	\$ 9,682
Library Commission	\$ 1,274

NOTE 3. RECEIVABLES

Receivables at June 30, 2006 consist of the following

	<u>Interest</u>	<u>Taxes</u>	<u>Accounts</u>	<u>Intergov- ernmental</u>	<u>Total Receivable</u>
Receivables:					
Governmental Activities	\$ 14,883	\$ 428,244	\$ 124,270	\$ 504,169	\$ 1,071,566
Business Type Activities	12,768	-	283,011	-	295,779
Downtown Development Authority	<u>10,645</u>	<u>-</u>	<u>-</u>	<u>432</u>	<u>11,077</u>
Total	<u>\$ 38,296</u>	<u>\$ 428,244</u>	<u>\$ 407,281</u>	<u>\$ 504,601</u>	<u>\$ 1,378,422</u>

CITY OF WOODHAVEN  
Notes to the Financial Statements  
June 30, 2006  
(continued)

NOTE 4. CAPITAL ASSETS

Capital asset activity for the City for the current year was as follows:

	<u>Beginning Balances</u>		<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
	<u>Governmental</u>	<u>Motor Pool</u>			
Governmental activities:					
Capital assets not being depreciated					
Land	\$ 31,615,955	\$ -	\$ -	\$ -	\$ 31,615,955
Subtotal	31,615,955	-	-	-	31,615,955
Capital assets being depreciated					
Buildings	12,639,341	-	102,822	-	12,742,163
Site improvements	338,378	70,462	-	-	408,840
Vehicles & equipment	2,952,380	3,310,762	454,754	(39,628)	6,678,268
Furniture & fixtures	226,729	-	-	-	226,729
Infrastructure	34,665,414	-	-	-	34,665,414
Subtotal	50,822,242	3,381,224	557,576	(39,628)	54,721,414
Less accumulated depreciation for:					
Buildings	(3,715,479)	-	(379,315)	-	(4,094,794)
Site improvements	(141,864)	(44,009)	(17,275)	-	(203,148)
Vehicles & equipment	(2,345,904)	(2,766,376)	(343,508)	24,548	(5,431,240)
Furniture & fixtures	(175,830)	-	(10,926)	-	(186,756)
Infrastructure	(25,827,937)	-	(401,704)	-	(26,229,641)
Subtotal	(32,207,014)	(2,810,385)	(1,152,728)	24,548	(36,145,579)
Net capital assets being depreciated	18,615,228	570,839	(595,152)	(15,080)	18,575,835
Capital assets-net of depreciation	\$ 50,231,183	\$ 570,839	\$ (595,152)	\$ (15,080)	\$ 50,191,790

CITY OF WOODHAVEN  
Notes to the Financial Statements  
June 30, 2006  
(continued)

Depreciation was charged to functions as follows:

Governmental activities:

Community Activities Building	\$ 23,824
Community Relations	115
Department of Public Work	26,835
General Government	76,221
Parks & Recreation	43,594
Public Safety, Fire & Police	145,243
Street Maintenance & Snow Removal	8,886
Treasurer's/Finance	3,257
Internal Service	225,827
Unallocated & Infrastructure	598,926
Total governmental activities depreciation expense	<u>\$ 1,152,728</u>

CITY OF WOODHAVEN  
Notes to the Financial Statements  
June 30, 2006  
(continued)

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Business-type activities:				
Capital assets not being depreciated				
Land	\$ 11,500	\$ -	\$ -	\$ 11,500
Subtotal	11,500	-	-	11,500
Capital assets being depreciated				
Buildings	579,664	-	-	579,664
Furniture & fixtures	310,102	-	-	310,102
Sewer lines	5,312,370	-	-	5,312,370
Sump Pump Coll. Sys	269,280	-	-	269,280
Vehicles	164,391	-	-	164,391
Water mains	4,623,078	-	-	4,623,078
Water meters	827,690	105,906	-	933,596
Machinery & equipment	-	-	-	-
Site improvements	21,206	-	-	21,206
Subtotal	12,107,781	105,906	-	12,213,687
Less accumulated depreciaton for:				
Building	(170,863)	(14,170)	-	(185,033)
Furniture & fixtures	(295,028)	(6,379)	-	(301,407)
Sewer lines	(2,523,713)	(122,497)	-	(2,646,210)
Sump Pump Coll. Sys	(55,377)	(12,305)	-	(67,682)
Vehicles	(164,392)	-	-	(164,392)
Water mains	(1,875,311)	(78,387)	-	(1,953,698)
Water meters	(465,868)	(49,841)	-	(515,709)
Machinery & equipment	-	-	-	-
Site improvements	(3,358)	(707)	-	(4,065)
Subtotal	(5,553,910)	(284,286)	-	(5,838,196)
Net capital assets being depreciated	6,553,871	(178,380)	-	6,375,491
Capital assets-net of depreciation	\$ 6,565,371	\$ (178,380)	\$ -	\$ 6,386,991

CITY OF WOODHAVEN  
Notes to the Financial Statements  
June 30, 2006  
(continued)

Depreciation was charged to functions as follows:

Business-type activities:	
Water	\$ 283,189
Recreational Vehicle Storage	1,097
Total Business-type activities depreciation expense	<u>\$ 284,286</u>

NOTE 5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The amount of interfund receivables and payables are as follows:

	<u>General</u>	<u>Local Highway</u>	<u>Police Forefeiture</u>	<u>Employee Retirement</u>	<u>Motor Pool</u>	<u>Total Interfund Payable</u>
General			\$ 18,272	\$ 937,956	\$ 27,880	\$ 984,108
Major Hwy	4,691	95,012	-	-	-	99,703
Local Hwy	88,795	-	-	-	-	88,795
Comm. Activities	50	-	-	-	-	50
Building Dept	281	-	-	-	1,233	1,514
Debt Services	21,376	-	-	-	-	21,376
Water & Sewer	6,994	-	-	80,230	24,382	111,606
Block Grant	14,296	-	-	-	-	14,296
Retirees Medical	-	-	-	54,025	-	54,025
Trust & Agency	35,546	-	-	-	-	35,546
Tax Receiving	7,293	-	-	-	-	7,293
Payroll	50	-	-	-	-	50
DDA	4,744	-	-	-	-	4,744
Total Interfund Receivable	<u>\$ 184,116</u>	<u>\$ 95,012</u>	<u>\$ 18,272</u>	<u>\$ 1,072,211</u>	<u>\$ 53,495</u>	<u>\$ 1,423,106</u>

CITY OF WOODHAVEN  
Notes to the Financial Statements  
June 30, 2006  
(continued)

The amount of interfund transfers are as follows:

	Transfers In:			
	<u>Local Highway</u>	<u>Debt Service</u>	<u>Internal Service</u>	<u>Total</u>
Transfers Out:				
Major Highway	\$ 100,534	\$ -	\$ -	\$ 100,534
General	<u>714,061</u>	<u>484,801</u>	<u>254,636</u>	<u>1,453,498</u>
	<u>\$ 814,595</u>	<u>\$ 484,801</u>	<u>\$ 254,636</u>	<u>\$ 1,554,032</u>

Note 6. LONG-TERM DEBT

The following is a summary of long-term obligations of the City for the year ended June 30, 2006:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
<u>Bonds Payable</u>					
2002 General Bonds	<u>2,900,000</u>	<u>-</u>	<u>50,000</u>	<u>2,850,000</u>	<u>100,000</u>
Total Bonds	<u>2,900,000</u>	<u>-</u>	<u>50,000</u>	<u>2,850,000</u>	<u>100,000</u>
<u>Notes Payable</u>					
Honeywell Note	<u>1,065,637</u>	<u>-</u>	<u>207,962</u>	<u>857,675</u>	<u>218,599</u>
Animal Shelter Note	<u>412,066</u>	<u>-</u>	<u>34,823</u>	<u>377,243</u>	<u>36,040</u>
Total Notes	<u>1,477,703</u>	<u>-</u>	<u>242,785</u>	<u>1,234,918</u>	<u>254,639</u>
Compensated Absences	<u>726,904</u>	<u>159,206</u>	<u>390,796</u>	<u>495,314</u>	<u>155,606</u>
Total	<u>\$ 5,104,607</u>	<u>\$ 159,206</u>	<u>\$ 683,581</u>	<u>\$ 4,580,232</u>	<u>\$ 510,245</u>
Business-Type Activities:					
Water & Sewer Notes	<u>148,393</u>	<u>-</u>	<u>77,423</u>	<u>70,970</u>	<u>70,970</u>
Compensated Absences	<u>69,708</u>	<u>23,236</u>	<u>70,358</u>	<u>22,586</u>	<u>7,529</u>
Total	<u>\$ 218,101</u>	<u>\$ 23,236</u>	<u>\$ 147,781</u>	<u>\$ 93,556</u>	<u>\$ 78,499</u>

CITY OF WOODHAVEN  
Notes to the Financial Statements  
June 30, 2006  
(continued)

General Obligation Bonds. The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for general government activities.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 25-year serial bonds, except for refunding issues, with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>	<u>Term</u>
2002 bonds	3.250%	\$2,850,000	20 years

The annual requirement to service the general obligation bonds including principal and interest are as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 100,000	\$ 122,524	\$ 222,524
2008	100,000	119,150	219,150
2009	125,000	115,400	240,400
2010	125,000	110,556	235,556
2011	125,000	105,432	230,432
2012 - 2016	800,000	438,700	1,238,700
2017 - 2021	1,175,000	244,325	1,419,325
2022 - 2022	<u>300,000</u>	<u>14,250</u>	<u>314,250</u>
Total	<u>\$ 2,850,000</u>	<u>\$ 1,270,337</u>	<u>\$ 4,120,337</u>

Amount due within one year: \$100,000

Compensated absences as of June 30, 2006: \$495,314

Amount due within one year: \$155,606

CITY OF WOODHAVEN  
Notes to the Financial Statements  
June 30, 2006  
(continued)

Bank loans:

The City has bank loans for the acquisition of fixed assets. The obligations currently outstanding are as follows:

Note, Honeywell Renovations. Due in monthly installments of \$21,376.39 through February 1, 2010, with interest of 4.93%.	\$ 857,675
Note, Animal Shelter. Due in annual installments of \$50,148.58 through October 11, 2014 with interest of 3.74%.	<u>377,243</u>
	<u>\$ 1,234,918</u>

The annual requirements to service the Animal Shelter and Honeywell Notes, including principal and interest are as follows:

Fiscal Year Ending			
<u>June 30,</u>	Principal	Interest	Total
2007	\$ 254,639	\$ 52,027	\$ 306,666
2008	267,100	39,566	306,666
2009	280,314	26,352	306,666
2010	208,071	13,085	221,156
2011	41,741	8,407	50,148
2012 - 2016	<u>183,054</u>	<u>17,424</u>	<u>200,478</u>
Total	<u>\$ 1,234,918</u>	<u>\$ 156,861</u>	<u>\$ 1,391,779</u>

Amount due within one year: \$254,639



CITY OF WOODHAVEN  
Notes to the Financial Statements  
June 30, 2006  
(continued)

Business-Type Activities:

Water and Sewer

The annual requirements to service the water and sewer note including principal and interest are as follows:

Fiscal Year Ending			
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 70,970	\$ 1,391	\$ 72,361
Total	<u>\$ 70,970</u>	<u>\$ 1,391</u>	<u>\$ 72,361</u>

NOTE 7. POST-EMPLOYMENT BENEFITS

Post-retirement benefits, other than pension benefits, are provided to police officers and to five former salaried employees of the City of Woodhaven. These benefits consist of health care benefits and are recognized as an expenditure of the General Fund, Water Fund and Motor Pool Fund when premiums are paid. For fiscal year 2005-2006, these premiums totaled \$447,874. These funds for police officers are accounted for within the Retiree's Benefit Fund.

On October 1, 1990 the newly signed A.F.S.C.M.E. (currently TPOAM) union contract for the city workers other than police, fire, and salaried personnel, required the City of Woodhaven, to establish a separate bank account or investment with a beginning balance of \$15,000 to be utilized to pay medical benefits for retired A.F.S.C.M.E. (currently TPOAM) members.

The city was required to pay the initial \$15,000 and the union would provide additional funding through newly hired workers hired subsequent to July 18, 1990. The new hirees would receive only 70% of the established union starting hourly rate for that position. Each year thereafter the new hire would receive an increase of 10% until the 100% is reached. The City will pay this difference in wages paid to new hires as additions to the original established investment. As of June 30, 2006, the balance of this investment account is \$398,216.

CITY OF WOODHAVEN  
Notes to the Financial Statements  
June 30, 2006  
(continued)

NOTE 8. PENSION TRUST FUND

Defined Benefit Plan

A. PLAN DESCRIPTION

The Woodhaven Public Employee Retirement System is a single-employer public employee retirement system (PERS) established May 1, 1971, that administers the City's defined benefit plan for all its full-time municipal employees. As of April 30, 2006, participants in the pension plan consisted of the following:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	57
Current employees:	
Fully vested	<u>43</u>
TOTAL	<u>100</u>

B. FUNDING POLICY

PERS provides retirement benefits as well as death and disability benefits. All benefits vest after 10 years of credited service. Employees who retire at or after age 55 (50 for police officers in the POAM and lieutenants and 55 for AFSCME employees) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly, in an amount equal to the product of years of credited service, not in excess of 30 years at retirement, and 2% (2.5% for non-command and command officers) of average monthly compensation. This rate increased to 2.25% for AFSCME Employees effective October 1, 1993. Employees with 10 years of credited service may retire at or after age 55 (50 for police officers) and receive a reduced retirement benefit.

Both command and non-command police officers in the bargaining units contribute 5.0% of their regular base pay to the PERS. AFSCME employees contribute 3.5% of regular base pay.

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS

Basis of Accounting

The financial statements of the pension plan are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee

CITY OF WOODHAVEN  
Notes to the Financial Statements  
June 30, 2006  
(continued)

services are performed and expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made.

Method Used to Value Investments

The PERS investments are valued at current market prices.

Categories of Asset Risks

The Pension Trust Fund defined benefit investments are located at the Depository Trust Corporation in New York, in safe deposit at a local bank, and with a brokerage company.

Act 314, P.A. 1965, as amended by Act 31, P.A. 1980, and Act 55, P.A. 1982 allows pension funds to be invested in a wide variety of instruments including: stocks, bonds, certificates of deposit, real estate, annuity contracts, obligations of a specified nature, and real or personal property. Specific limitations apply to the various investment types. The system's investments are categorized to give an indication of the level of risk assumed by the fund at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the system or its agent in the system's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the system's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the system's name. All investments of PERS are classified in Category 1 which bears the least risk.

The Money Market Fund is a temporary investment fund and represents 10 percent of the net assets available for pension benefits. There are no investments in, loans to, or leases with parties related to the pension plan.

Categories of Asset Risks (Continued)

INVESTMENT	CATEGORY			CARRYING VALUE AT 4/30/06	FAIR VALUE AT 4/30/06
	1	2	3		
Bonds	\$ 5,482,579	\$ -	\$ -	\$ 5,600,838	\$ 5,482,579
Stocks	6,158,889	-	-	5,784,480	6,158,889
Mutual Funds	3,656,706	-	-	3,042,702	3,656,706
TOTAL INVESTMENTS	\$ 15,298,174	\$ -	\$ -	\$ 14,428,020	\$ 15,298,174

CITY OF WOODHAVEN  
Notes to the Financial Statements  
June 30, 2006  
(continued)

D. FUNDING STATUS AND PROGRESS

The amount shown as "actuarial liability" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is called the "actuarial present value of credited projected benefits" and is intended to help users assess PERS funding status on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due and make comparisons among other retirement systems.

Because the City of Woodhaven PERS uses the standardized measure only for disclosing purposes, the measurement is independent of the actuarial computation made to determine contributions to the PERS. The actuarial funding method used to determine contributions to the PERS is explained in Part D of this note.

The actuarial liability was determined as part of an actuarial valuation at April 30, 2006. Significant actuarial assumptions used include (a) rate of return on the investment of present and future assets of 7.25 percent per year after investment expenses, (b) projected salary increases of 6 percent per year compounded annually, and (c) mortality based on the 1983 Male Group Annuity Mortality Table for males, and assuming a six year age set back for females.

At April 30, 2006, the unfunded actuarial liability was \$4,713,255 as follows:

Actuarial liability:

Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits and transferred participants.	\$ 12,497,484
-------------------------------------------------------------------------------------------------------------------------------------------	---------------

Current Employees:

Active Participants	<u>3,287,705</u>
TOTAL ACTUARIAL LIABILITY	20,785,189

Net assets available for benefits, at market, excluding voluntary employee contributions

	<u>16,071,934</u>
UNFUNDED ACTUARIAL LIABILITY	<u>\$ 4,713,255</u>

CITY OF WOODHAVEN  
Notes to the Financial Statements  
June 30, 2006  
(continued)

E. Contributions Required and Contributions Made

Periodic employer contributions to the pension plan are determined on an actuarial basis using the entry age normal cost method. Normal cost is funded on a current basis. The unfunded actuarial accrued liability is funded over a 40 year period from May 1, 1978. Periodic contributions for both normal cost and the amortization of the unfunded actuarial accrued liability are based on the level percentage of payroll method.

Actuarially determined contribution requirements based on an actuarial valuation performed at April 30, 2006 was estimated at \$1,003,276 (\$900,539 employer and \$102,737 mandatory employee). This contribution requirement consists of \$361,343 normal cost and \$641,933 amortization of the unfunded actuarial accrued liability.

It is the City's practice to make contributions throughout the year based on estimates of the total contribution requirement. Once the actuarial report is issued, usually 6 months after the plan's year-end, the City contributes any additional monies necessary to comply with the actuary's recommendation.

The significant actuarial assumptions used to compute pension contribution requirements are the same as those used to determine the standardized measure of the pension obligation. There were no material changes in the current year in the actuarial assumptions, actuarial funding method, or benefit provisions. The actuarial assumptions are scheduled to be reevaluated during the 2006-2007 fiscal year.

CITY OF WOODHAVEN  
RETIREMENT PLAN FOR EMPLOYEES AND POLICEMEN  
CALCULATION OF NET PENSION OBLIGATION AT  
TRANSITION FOR THE PENSION PLAN

Applicable Actuarial Valuation									
As-of Date	Investment Assumption	Amort. Years	Recommended Contribution	Mos. in Fiscal Year	Actual Contribution	Beginning of Year NPO	Annual Pension Cost (APC)	Increase in NPO (9-7)	End of Year NPO (8+10)
(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
5/1/87	7.00%	40	282,745	12	195,083	-	282,745	87,662	87,662
5/1/88	7.00%	40	292,869	12	271,591	87,662	292,403	20,812	108,474
5/1/89	7.00%	40	309,665	12	384,541	108,474	309,001	(75,540)	32,934
5/1/90	7.00%	40	296,602	12	190,458	32,934	296,371	105,913	138,847
5/1/91	7.00%	40	394,209	12	422,291	138,847	393,102	(29,189)	109,658
5/1/92	7.00%	40	428,426	12	330,749	109,658	427,436	96,687	206,345
5/1/93	7.25%	40	457,498	12	457,498	206,345	455,575	(1,923)	204,422
5/1/94	7.25%	40	506,261	12	506,261	204,422	504,097	(2,164)	202,258
5/1/95	7.25%	40	592,270	12	592,270	202,258	589,845	(2,425)	199,833
5/1/96	7.25%	40	582,672	12	582,672	199,833	579,964	(2,708)	197,125
5/1/97	7.25%	40	635,736	12	635,736	197,125	632,723	(3,013)	194,112
5/1/98	7.25%	40	624,977	12	666,471	194,112	621,632	(44,839)	149,273
5/1/99	7.25%	40	611,631	12	746,886	149,273	608,733	(138,153)	11,120
5/1/00	7.25%	40	642,483	12	642,843	11,120	642,240	(603)	10,517
5/1/01	7.25%	40	680,784	12	680,784	10,517	680,524	(260)	10,257
5/1/02	7.25%	40	778,321	12	778,321	10,257	778,036	(285)	9,772
5/1/03	7.25%	40	790,959	12	790,959	9,972	790,645	(314)	9,658
5/1/04	7.25%	40	815,515	12	815,515	9,658	815,170	(345)	9,313
5/1/05	7.25%	40	900,539	12	900,539	9,313	900,245	(294)	9,019
5/1/06	7.25%	40	860,035	12	-	9,019	-	-	-

CITY OF WOODHAVEN  
 RETIREMENT PLAN FOR EMPLOYEES AND POLICEMEN  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS AS OF MAY 1, 2006

<u>Plan Year</u>	<u>Annual Required Contribution</u>	<u>Percentage Contribution</u>
1990	\$ 296,602	64%
1991	394,209	107%
1992	428,426	77%
1993	457,498	100%
1994	329,370	100%
1995	398,862	100%
1996	582,672	100%
1997	635,736	100%
1998	624,977	107%
1999	611,631	122%
2000	642,843	100%
2001	680,784	100%
2002	778,321	100%
2003	790,959	100%
2004	815,515	100%
2005	900,539	100%

CITY OF WOODHAVEN  
RETIREMENT PLAN FOR EMPLOYEES AND POLICEMEN  
SCHEDULE OF FUNDING PROGRESS AS OF MAY 1, 2006

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAL as a Percentage of Covered Payroll ((a-b)/c)
	(a)	(b)	(a-b)	(a/b)	(c)	((a-b)/c)
5/1/90	3,156,546	5,368,788	2,212,242	58.79%	1,896,336	116.66%
5/1/91	3,795,647	6,882,091	3,086,444	55.15%	2,079,021	148.46%
5/1/92	4,509,897	7,790,752	3,280,855	57.89%	2,207,687	148.61%
5/1/93	5,317,830	8,850,194	3,532,364	60.09%	2,388,821	147.87%
5/1/94	6,108,086	10,072,234	3,964,148	60.64%	2,476,164	160.09%
5/1/95	6,984,521	11,705,299	4,720,778	59.67%	2,331,645	202.47%
5/1/96	7,958,357	12,463,821	4,505,464	63.85%	2,371,255	190.00%
5/1/97	8,917,684	13,228,186	4,310,502	67.41%	2,607,115	165.34%
5/1/98	10,020,281	14,059,100	4,038,819	71.27%	2,661,926	151.73%
5/1/99	11,178,450	14,984,162	3,805,712	74.60%	2,777,144	137.04%
5/1/00	12,383,239	16,158,182	3,774,943	76.64%	2,968,880	127.15%
5/1/01	13,297,467	17,609,847	4,312,380	75.51%	2,746,305	157.02%
5/1/02	13,901,961	18,418,024	4,516,060	76.00%	2,908,587	155.30%
5/1/03	14,413,268	19,053,138	4,640,170	76.00%	2,723,124	170.40%
5/1/04	15,008,763	19,693,474	4,684,711	76.00%	2,735,525	171.30%
5/1/05	15,644,247	20,750,547	5,106,300	75.00%	2,862,439	178.40%
5/1/06	16,515,478	21,228,733	4,713,255	78.00%	2,613,437	180.30%



CITY OF WOODHAVEN  
Notes to the Financial Statements  
June 30, 2006  
(continued)

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	April 30, 2006
Actuarial Cost Method	Individual Entry Age
Amortization Method	40-year level dollar
Remaining Amortization Period	12 years
Asset Valuation Method	Assets are adjusted to recognize 25% of the balance of changes in realized and unrealized gains and losses. assets are projected by estimated contributions, dividend and interest income, benefit payments and expenses.

Actuarial Assumptions:

Investment rate of return	7.25%
Projected salary increases	6.00%
Cost-of-living adjustments	4.00%

Defined Contribution Plan

A. Plan Description

The City of Woodhaven Defined Contribution Pension Plan was established by the City of Woodhaven to provide benefits at retirement to all general employees and full-time firefighters of the City. At June 30, 2006 there were 38 plan members. Plan members are required to contribute a minimum of 5% of their base pay. The City is required to contribute a minimum of 10% of base pay. Plan provisions and contribution requirements are established and may be amended by the Woodhaven City Council.

B. Significant Accounting Policies

Basis of Accounting. The City of Woodhaven Defined Contribution Retirement Plan financial statements are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period that the contributions are due.

CITY OF WOODHAVEN  
Notes to the Financial Statements  
June 30, 2006  
(continued)

Method Used to Value Investments. Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair values.

NOTE 9. JOINTLY GOVERNED ORGANIZATIONS

***South Huron Valley Utility Authority*** - The City of Woodhaven, along with seven other communities, is a member of the South Huron Valley Utility Authority. The Authority was founded in order to acquire and operate a sewage disposal and wastewater treatment system. The eight communities are represented in the Authority's Board of Commissioners who has the responsibility of reviewing all financial matters of the Authority. The Board of Commissioners is made up of one member from each participating community. The member communities have an entitlement and residual interest in the Authority's net assets. All debt of the Authority is backed by the full faith and credit of its eight member communities. The amounts charged to its members will, by definition, be equal to the Authority's costs of providing sewage transportation and treatment. Therefore, the investment of the City of Woodhaven is reported as, "Investment in Joint Venture - SHVUA" on the statement of net assets of the government-wide statements at 20.9% of the Authority's net assets.

The City's portion of the Authority's outstanding debt at June 30, 2006 is as follows:

	Balance			Balance	Current	Non-Curr
	<u>7/1/05</u>	<u>Additions</u>	<u>Retirements</u>	<u>6/30/06</u>	<u>Portion</u>	<u>Portion</u>
1991 SRF Bonds	\$ 1,438,302	\$ -	\$ 227,180	\$ 1,211,122	\$233,198	\$ 977,924
1998 Expansion Bonds	1,362,614	-	70,813	1,291,801	72,346	1,219,455
2004 Expansion Bonds	2,912,414	-	-	2,912,414	-	2,912,414
	<u>\$ 5,713,330</u>	<u>\$ -</u>	<u>\$ 297,993</u>	<u>\$ 5,415,337</u>	<u>\$305,544</u>	<u>\$ 5,109,793</u>

***33<sup>rd</sup> District Court*** - The City of Woodhaven, in conjunction with six other communities, created the 33<sup>rd</sup> District Court. The Court entertains cases of the seven community areas. The seven communities are represented in the Management Council who has the responsibility of reviewing all financial matters of the Court. The Management Council is made up of one member from each participant community. The member communities have an entitlement and residual interest in the Court net assets. This entitlement and residual interest is determined by the annual caseload of the

CITY OF WOODHAVEN  
Notes to the Financial Statements  
June 30, 2006  
(continued)

respective community. The annual contribution by each community to the Court's budget is also determined in the same manner. Therefore, the investment of the City of Woodhaven is reported as, "Investment in Joint Venture - 33<sup>rd</sup> District Court" on the statement of net assets of the government-wide statements at 14.56% of the court net assets.

NOTE 10 – RISK MANAGEMENT

Risk Management – The City is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial insurance for medical benefits claims, and participates in the Michigan Municipal Liability and Property Pool (risk pool) for claims relating to property loss, torts, and errors and omissions; and participates in the Michigan Municipal Workers' Compensation Fund (risk pool) for claims relating to employee injuries (workers' compensation). Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The risk pool programs operate as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts. Both pool programs will be self-sustaining through member premiums.

## **REQUIRED SUPPLEMENTAL INFORMATION**

City of Woodhaven  
Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budgetary Basis)  
General Fund  
June 30, 2006

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
<b>REVENUES FROM TAXES:</b>				
Current tax levy	\$ 8,395,493	\$ 8,395,493	\$ 8,335,418	(\$ 60,075)
Current tax levy, SHVUA	417,787	417,787	410,516	( 7,271)
Administrative fee	205,456	205,456	202,986	( 2,470)
Mobile home fees	1,100	1,100	( 8)	( 1,108)
Interest and penalties/delinquent	27,520	7,520	58,617	51,097
Infrastructures	786,638	786,638	779,482	( 7,156)
Tax collections - Miscellaneous			3,158	3,158
<b>TOTAL</b>	<b>9,833,994</b>	<b>9,813,994</b>	<b>9,790,169</b>	<b>( 23,825)</b>
<b>REVENUES FROM LICENSES:</b>				
Site-plan review fees	10,500	10,500	15,822	5,322
Property split fees	600	600	47,900	47,300
Fire inspection fees	3,200	3,200	288	( 2,912)
Animal licenses	3,900	3,900	3,540	( 360)
Miscellaneous permits	400	400	200	( 200)
Zoning Board of Appeals	800	800	1,315	515
<b>TOTAL</b>	<b>19,400</b>	<b>19,400</b>	<b>69,065</b>	<b>49,665</b>
<b>REVENUES FROM STATE:</b>				
Telecom authority	26,935	26,935	27,373	438
Sales tax	1,249,641	1,249,641	1,228,780	( 20,861)
Liquor license	6,980	6,980	7,127	147
<b>TOTAL</b>	<b>1,283,556</b>	<b>1,283,556</b>	<b>1,263,280</b>	<b>( 20,276)</b>

City of Woodhaven  
Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budgetary Basis)  
General Fund  
June 30, 2006

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
OUTSIDE REVENUE:				
Telecommunications fees	\$ 7,200	\$ 7,200	7,200	-
Cable TV - franchise fees	129,263	129,263	134,995	5,732
Cable TV - advisory board	-	-	10,241	10,241
Cable TV - interest	825	825	1,835	1,010
<b>TOTAL</b>	<b>137,288</b>	<b>137,288</b>	<b>154,271</b>	<b>16,983</b>
OTHER REVENUES:				
Fines and forfeitures	543,000	543,000	373,107	(169,893)
Animal shelter	-	-	91,443	91,443
Miscellaneous revenue	80,763	80,763	123,526	42,763
Interest on investments	100,022	100,022	287,414	187,392
Retiree medical insurance reimbursement	25,981	25,981	83,774	57,793
Rescue - Fire Dept.	251,000	251,000	331,257	80,257
Use and admission fees - recreation	138,850	138,850	175,807	36,957
Festival revenue	15,000	15,000	20,418	5,418
Interest on Rescue Fund	14,500	14,500	45,197	30,697
Interest on Sick Fund	7,000	7,000	16,436	9,436
4th of July	3,500	3,500	3,807	307
DARE Program	1,500	1,500	2,042	542
Interest on Salaried Emp Benefits	2,000	2,000	4,059	2,059
Park Pavillion	400	400	770	370
Misc Revenue - Police	5,000	5,000	60,389	55,389
<b>TOTAL</b>	<b>1,188,516</b>	<b>1,188,516</b>	<b>1,619,446</b>	<b>430,930</b>
<b>TOTAL REVENUES</b>	<b>\$ 12,462,754</b>	<b>\$ 12,442,754</b>	<b>\$ 12,896,231</b>	<b>\$ 453,477</b>

City of Woodhaven  
Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budgetary Basis)  
General Fund  
June 30, 2006

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
Animal Shelter	-	-	88,761 (\$	88,761)
City Attorney	116,025	116,025	99,439	16,586
City Engineer	30,000	30,000	27,972	2,028
Justice	378,216	378,216	387,898 (	9,682)
Library Commission	75,363	83,088	84,362 (	1,274)
Clerk's Office	207,060	207,060	174,206	32,854
Community Activities Building	153,126	153,126	137,560	15,566
Board of Elections	18,590	18,590	17,863	727
Public Safety/Fire	1,474,675	1,474,675	1,428,215	46,460
General Government	953,934	964,440	908,651	55,789
Planning Commission	34,596	34,596	8,209	26,387
Public Safety/Police	4,736,164	4,736,164	4,333,996	402,168
Department of Public Services	3,134,129	3,113,877	2,066,561	1,047,316
Recreation Commission	49,730	49,730	49,012	718
Recreation Department	457,110	476,446	444,559	31,887
Treasurer's/Finance Department	449,212	469,464	443,451	26,013
Cable TV Commission	21,520	21,520	19,295	2,225
Huron Valley Waste Control System	417,787	380,220	380,220	-
Honeywell Debt	256,517	256,517	-	256,517
<b>TOTAL EXPENDITURES</b>	<b>\$ 12,963,754</b>	<b>\$ 12,963,754</b>	<b>\$ 11,100,229</b>	<b>\$ 1,863,524</b>

City of Woodhaven  
Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budgetary Basis)  
General Fund  
June 30, 2006

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
REVENUES	\$ 12,462,754	\$ 12,442,754	\$ 12,896,231	\$ 453,477
EXPENDITURES	12,963,754	12,963,754	11,100,230	1,863,524
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<b>( 501,000)</b>	<b>( 521,000)</b>	<b>1,796,001</b>	<b>2,317,001</b>
OTHER FINANCING SOURCES (USES):				
Transfer from other funds	500,000	500,000	-	( 500,000)
Transfer to other funds	-	-	( 1,453,498)	( 1,453,498)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>500,000</b>	<b>500,000</b>	<b>( 1,453,498)</b>	<b>( 1,953,498)</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (EXPENDITURES AND OTHER USES)</b>	<b>( 1,000)</b>	<b>( 21,000)</b>	<b>342,503</b>	<b>363,503</b>
FUND BALANCE, beginning	5,804,425	5,804,425	5,804,425	-
<b>FUND BALANCE, ending</b>	<b>\$ 5,803,425</b>	<b>\$ 5,783,425</b>	<b>\$ 6,146,928</b>	<b>\$ 363,503</b>



City of Woodhaven  
Statement of Revenues, Expenditures  
and Changes in Fund Balance-  
Budget and Actual  
For the Fiscal Year Ended June 30, 2006

MOTOR VEHICLE HIGHWAY MAJOR STREET FUND			
	ORIGINAL & FINAL BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
REVENUES:			
Interest on savings and investments	\$ 23,043	\$ 57,320	\$ 34,277
State sources	419,668	402,137	( 17,531)
<b>TOTAL REVENUES</b>	<b>442,711</b>	<b>459,457</b>	<b>16,746</b>
EXPENDITURES:			
Street maintenance	303,518	3,214	300,304
Snow removal	8,839	5,770	3,069
Other expenditures	25,437	23,893	1,544
<b>TOTAL EXPENDITURES</b>	<b>337,794</b>	<b>32,877</b>	<b>304,917</b>
Excess of Revenues (Under) Expenditures	<b>104,917</b>	<b>426,580</b>	<b>321,663</b>
OTHER FINANCING SOURCES (USES):			
Transfers to other funds	( 104,917)	( 100,534)	4,383
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>( 104,917)</b>	<b>( 100,534)</b>	<b>4,383</b>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (EXPENDITURES AND OTHER USES )	-	326,046	326,046
<b>FUND BALANCE, beginning</b>	<b>1,486,043</b>	<b>1,486,043</b>	<b>-</b>
<b>FUND BALANCE, ending</b>	<b>\$ 1,381,126</b>	<b>\$ 1,812,089</b>	<b>\$ 430,963</b>

City of Woodhaven  
Statement of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget and Actual  
For the Fiscal Year Ended June 30, 2006

MOTOR VEHICLE HIGHWAY LOCAL STREET FUND				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
REVENUES:				
Interest on savings and investments	\$ 3,218	\$ 6,293	\$ 6,767	\$ 474
State sources	210,622	194,901	198,379	3,478
<b>TOTAL REVENUES</b>	<b>213,840</b>	<b>201,194</b>	<b>205,146</b>	<b>3,952</b>
EXPENDITURES:				
Street maintenance	73,814	1,167,045	1,084,218	82,827
Snow removal	39,135	23,162	23,079	83
Other expenditures	205,808	205,808	232,471	(26,663)
<b>TOTAL EXPENDITURES</b>	<b>318,757</b>	<b>1,396,015</b>	<b>1,339,768</b>	<b>56,247</b>
Excess of Revenues (Under) Expenditures	( 104,917)	( 1,194,821)	( 1,134,622)	60,199
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	104,917	812,772	814,595	709,678
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>104,917</b>	<b>812,772</b>	<b>814,595</b>	<b>709,678</b>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (EXPENDITURES AND OTHER USES )	- ( 382,049)	( 320,027)	( 320,027)	( 320,027)
<b>FUND BALANCE, beginning</b>	<b>482,141</b>	<b>482,141</b>	<b>482,141</b>	<b>-</b>
<b>FUND BALANCE, ending</b>	<b>\$ 482,141</b>	<b>\$ 100,092</b>	<b>\$ 162,114</b>	<b>(\$ 320,027)</b>

City of Woodhaven  
Statement of Revenues, Expenses, and Changes  
In Net Assets - Budget and Actual  
For the year Ended June 30, 2006

WATER DEPARTMENT FUND				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
OPERATING REVENUES:				
Water and sewer billings	\$ 2,024,260	\$ 2,274,400	\$ 2,264,536	(\$ 9,864)
Arrears and penalties, water billings	33,198	33,198	32,606	( 592)
Tap-in fees, permits, and benefits:				
Water	17,070	17,070	23,740	6,670
Sewer	15,700	15,700	20,030	4,330
Sale of water fittings, meters, and miscellaneous	47,050	47,050	28,658	( 18,392)
Fire hydrant rental	30,950	30,950	32,139	1,189
<b>TOTAL OPERATING REVENUES</b>	<b>2,168,228</b>	<b>2,418,368</b>	<b>2,401,709</b>	<b>( 16,659)</b>
OPERATING EXPENSES:				
Salaries and wages	438,488	451,084	329,035	122,049
Social Security and retirement	108,630	108,630	95,431	13,199
Insurance	157,575	157,575	140,234	17,341
Meal allowance, uniforms, and car allowance	5,720	5,750	2,879	2,871
Office supplies	6,050	6,050	806	5,244
Departmental supplies	6,500	6,730	23,641	( 16,911)
Maintenance	89,500	89,500	48,091	41,409
Sewage disposal	582,587	582,587	548,054	34,533
Water purchases	759,465	986,573	972,325	14,248
Utilities and telephone	16,623	16,623	12,253	4,370
Postage	5,500	5,500	5,324	176
Printing and publications	4,000	4,000	1,133	2,867
Memberships and subscriptions	1,500	1,500	955	545
Depreciation	277,149	277,149	283,189	( 6,040)
Motor Pool equipment rent	142,906	142,906	142,906	-
Professional / audit fees	6,000	8,354	7,324	1,030
Engineering and contractual services	23,466	31,288	32,176	( 888)

WATER DEPARTMENT FUND				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
<b>Operating expenses (concluded):</b>				
Training program	1,750	1,750	195	1,555
Compensated absences	-	-	55,068	( 55,068)
Miscellaneous expense	-	-	159	( 159)
Interest	4,679	4,679	3,920	759
<b>TOTAL OPERATING EXPENSES</b>	<b>2,638,088</b>	<b>2,888,228</b>	<b>2,705,098</b>	<b>183,130</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>( 469,860)</b>	<b>( 469,860)</b>	<b>( 303,389)</b>	<b>166,471</b>
<b>NONOPERATING REVENUE,</b>				
Interest Income	72,475	72,475	225,309	152,834
<b>TOTAL NONOPERATING REVENUE</b>	<b>72,475</b>	<b>72,475</b>	<b>225,309</b>	<b>152,834</b>
<b>CHANGE IN NET ASSETS</b>	<b>( 397,385)</b>	<b>( 397,385)</b>	<b>( 78,080)</b>	<b>319,305</b>
NET ASSETS, beginning of year	11,544,321	11,544,321	11,544,321	-
<b>NET ASSETS, end of year</b>	<b>\$ 11,146,936</b>	<b>\$ 11,146,936</b>	<b>\$ 11,466,241</b>	<b>\$ 319,305</b>

## **SUPPLEMENTAL INFORMATION**

City of Woodhaven  
Combining Balance Sheets  
Nonmajor Governmental Funds  
June 30, 2006

	SPECIAL REVENUE FUNDS					DEBT SERVICE	CAPITAL IMPROVEMENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	COMMUNITY ACTIVITIES CENTER	COMMUNITY DEVELOPMENT BLOCK GRANT	POLICE FORFEITURES	BUILDING INSPECTION				
Cash	\$ 33,007	\$ -	\$ 96,091	\$ 51,826	\$ -	\$ -	\$ -	180,924
Cash equivalents	142,080	-	498,112	218,679	32,860	185,851		1,077,582
Accrued interest				1,370	-	-		1,370
Due from general fund			18,272					18,272
Due from other governments	-	17,214	-	-	-	-		17,214
<b>TOTAL ASSETS</b>	<b>\$ 175,087</b>	<b>\$ 17,214</b>	<b>\$ 612,475</b>	<b>\$ 271,875</b>	<b>\$ 32,860</b>	<b>\$ 185,851</b>	<b>\$</b>	<b>1,295,362</b>

LIABILITIES AND FUND BALANCE

Accounts payable	2,176	2,918	1,248	939	-	7,623	14,904
Accrued wages				1,628	-	-	1,628
Due to general fund	50	14,296	-	281	21,376		36,003
Due to other funds				1,233			1,233
<b>TOTAL LIABILITIES</b>	<b>2,226</b>	<b>17,214</b>	<b>1,248</b>	<b>4,081</b>	<b>21,376</b>	<b>7,623</b>	<b>53,768</b>
Fund Balance	172,861	-	611,227	267,794	11,484	178,228	1,241,594
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 175,087</b>	<b>\$ 17,214</b>	<b>\$ 612,475</b>	<b>\$ 271,875</b>	<b>\$ 32,860</b>	<b>\$ 185,851</b>	<b>\$ 1,295,362</b>

City of Woodhaven  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
Nonmajor Governmental Funds  
June 30, 2006

	SPECIAL REVENUE FUNDS					DEBT SERVICE	CAPITAL IMPROVEMENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	COMMUNITY ACTIVITIES CENTER	COMMUNITY DEVELOPMENT BLOCK GRANT	POLICE FORFEITURES	BUILDING INSPECTION				
Federal grants		\$ 62,420	\$ -				\$	62,420
Interest on investments	\$ 5,934		18,626	9,621	\$	3,860	5,803	43,844
Permits and fees				381,400				381,400
Rental	14,185							14,185
Forfeitures			201,533					201,533
Miscellaneous Revenue			54,440					54,440
<b>TOTAL REVENUES</b>	<b>20,119</b>	<b>62,420</b>	<b>274,599</b>	<b>391,021</b>		<b>3,860</b>	<b>5,803</b>	<b>757,822</b>

EXPENDITURES:

Wages and benefits				340,998				340,998
Maintenance of Equipment/Facilities								-
Miscellaneous	9,288	62,420	36,769	49,848				158,325
Capital outlay	1,851		53,665				102,823	158,339
Debt payments:								
Principal						292,786		292,786
Interest						188,092		188,092
	<b>11,139</b>	<b>62,420</b>	<b>90,434</b>	<b>390,846</b>		<b>480,878</b>	<b>102,823</b>	<b>1,138,540</b>

EXCESS (DEFICIENCY) OF

REVENUES OVER EXPENDITURES	8,980	-	184,165	175	(	477,018)	(	97,020)	(	380,718)
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	SPECIAL REVENUE FUNDS					DEBT SERVICE	CAPITAL IMPROVEMENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	COMMUNITY ACTIVITIES CENTER	COMMUNITY DEVELOPMENT BLOCK GRANT	POLICE FORFEITURES	BUILDING INSPECTION					
OTHER FINANCING SOURCES:									
Transfer from General Fund	-	-	-	-		484,801		484,801	
Total Other Financing Sources	-	-	-	-		484,801	-	484,801	
NET CHANGE IN FUND BALANCES	8,980	-	184,165	175		7,783	( 97,020)	104,083	
FUND BALANCE, beginning	163,881	-	427,062	267,619		3,701	275,248	1,137,511	
<b>FUND BALANCE, ending</b>	<b>\$ 172,861</b>	<b>\$ -</b>	<b>\$ 611,227</b>	<b>\$ 267,794</b>		<b>\$ 11,484</b>	<b>\$ 178,228</b>	<b>\$ 1,241,594</b>	



City of Woodhaven  
Statement of Revenues, Expenditures and Changes  
In Fund Balances - Budget and Actual (Budgetary Basis)  
Nonmajor Special Revenue Funds  
June 30, 2006

COMMUNITY ACTIVITIES CENTER			
	ORIGINAL & FINAL BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
REVENUES:			
Interest on savings and investments	\$ 1,000	\$ 5,934	\$ 4,934
Rental	14,250	14,185	( 65)
<b>TOTAL REVENUES</b>	<b>15,250</b>	<b>20,119</b>	<b>4,869</b>
EXPENDITURES:			
Maintenance of equipment	100,000	9,288	90,712
Other expenditures	-	1,851	( 1,851)
<b>TOTAL EXPENDITURES</b>	<b>100,000</b>	<b>11,139</b>	<b>88,861</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	( 84,750)	8,980	93,730
FUND BALANCE, beginning	163,881	163,881	-
<b>FUND BALANCE, ending</b>	<b>\$ 79,131</b>	<b>\$ 172,861</b>	<b>\$ 93,730</b>

City of Woodhaven  
Statement of Revenues, Expenditures and Changes  
In Fund Balances - Budget and Actual (Budgetary Basis)  
Nonmajor Special Revenue Funds  
June 30, 2006

COMMUNITY DEVELOPMENT BLOCK GRANT			
ORIGINAL AND FINAL BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE	
REVENUES:			
Other revenue	\$ 100,000	\$ 62,420	(\$ 37,580)
<b>TOTAL REVENUES</b>	<b>100,000</b>	<b>\$ 62,420</b>	<b>(\$ 37,580)</b>
EXPENDITURES:			
Other expenditures	100,000	62,420	37,580
Capital outlay			-
<b>TOTAL EXPENDITURES</b>	<b>100,000</b>	<b>62,420</b>	<b>37,580</b>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCE, beginning	-	-	-
<b>FUND BALANCE, ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

City of Woodhaven  
Statement of Revenues, Expenditures and Changes  
In Fund Balances - Budget and Actual (Budgetary Basis)  
Nonmajor Special Revenue Funds  
June 30, 2006

POLICE FORFEITURES			
	ORIGINAL AND FINAL BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
REVENUES:			
Interest on savings and investments	\$ 1,450	\$ 18,626	\$ 17,176
Other revenue	122,500	255,973	133,473
<b>TOTAL REVENUES</b>	<b>123,950</b>	<b>274,599</b>	<b>150,649</b>
EXPENDITURES:			
Other expenditures	112,250	36,769	75,481
Capital outlay	11,880	53,665	(41,785)
<b>TOTAL EXPENDITURES</b>	<b>124,130</b>	<b>90,434</b>	<b>33,696</b>
EXCESS OF REVENUES OVER EXPENDITURES	( 180)	184,165	184,345
FUND BALANCE, beginning	427,062	427,062	-
<b>FUND BALANCE, ending</b>	<b>\$ 426,882</b>	<b>\$ 611,227</b>	<b>\$ 184,345</b>

City of Woodhaven  
Statement of Revenues, Expenditures and Changes  
In Fund Balances - Budget and Actual (Budgetary Basis)  
Nonmajor Special Revenue Funds  
June 30, 2006

	BUILDING INSPECTION			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
REVENUES:				
Interest on savings and investments	-	-	\$ 9,621	\$ 9,621
Permits and fees	451,858	451,858	381,400	( 70,458)
<b>TOTAL REVENUES</b>	<b>451,858</b>	<b>451,858</b>	<b>391,021</b>	<b>(60,837)</b>
EXPENDITURES:				
Wages and benefits	412,397	410,448	340,998	69,450
Other expenditures	39,461	41,410	49,848	( 8,438)
<b>TOTAL EXPENDITURES</b>	<b>451,858</b>	<b>451,858</b>	<b>390,846</b>	<b>61,012</b>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	175	175
FUND BALANCE, beginning	267,618	267,618	267,618	-
<b>FUND BALANCE, ending</b>	<b>\$ 267,618</b>	<b>\$ 267,618</b>	<b>\$ 267,793</b>	<b>\$ 175</b>

City of Woodhaven  
Statement of Revenues, Expenditures and Changes  
In Fund Balances - Budget and Actual (Budgetary Basis)  
Nonmajor Governmental Fund  
June 30, 2006

DEBT SERVICE FUND				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
REVENUES:				
Interest on savings and investments	\$ 4,250	\$ 4,250	\$ 3,860	(\$ 390)
<b>TOTAL REVENUES</b>	<b>4,250</b>	<b>4,250</b>	<b>\$ 3,860</b>	<b>(\$ 390)</b>
EXPENDITURES:				
Debt payments:				
Principal	273,587	292,828	292,786	42
Interest	\$ 158,861	\$ 188,175	188,092	83
<b>TOTAL EXPENDITURES</b>	<b>432,448</b>	<b>481,003</b>	<b>480,878</b>	<b>125</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	( 428,198)	( 476,753)	( 477,018)	( 265)
OTHER FINANCING SOURCES (USES):				
Transfer from General Fund	476,753	476,753	484,801	8,048
Total Other Financing Sources	476,753	476,753	484,801	8,048
NET CHANGE IN FUND BALANCES	48,555	-	7,783	7,783
FUND BALANCE, beginning	3,701	3,701	3,701	-
<b>FUND BALANCE, ending</b>	<b>\$ 52,256</b>	<b>\$ 3,701</b>	<b>\$ 11,484</b>	<b>\$ 7,783</b>

City of Woodhaven  
Statement of Revenues, Expenditures and  
Changes in Fund Balance-Budget and Actual (Budgetary Basis)  
Nonmajor Governmental Fund  
June 30, 2006

CAPITAL IMPROVEMENT FUND			
	ORIGINAL & FINAL BUDGET		FAVORABLE (UNFAVORABLE) VARIANCE
		ACTUAL	
REVENUE:			
Interest	-	\$ 5,803	\$ 5,803
<b>TOTAL REVENUE</b>	-	5,803	5,803
EXPENDITURES:			
Capital outlay	-	102,823	( 102,823)
<b>TOTAL EXPENDITURES</b>	-	102,823	( 102,823)
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	-	( 97,020)	( 97,020)
<b>FUND BALANCE, beginning</b>		275,248	275,248
<b>FUND BALANCE, ending</b>	-	\$ 178,228	\$ 178,228

City of Woodhaven  
Internal Service Fund  
Statement of Revenues, Expenditures and  
Changes in Net Assets - Budget and Actual (Budgetary Basis)  
June 30, 2006

MOTOR POOL FUND				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
OPERATING REVENUES:				
User charges	\$ 680,506	\$ 680,506	\$ 673,700	(\$ 6,806)
Miscellaneous	-	17,104	17,106	\$ 2
<b>TOTAL OPERATING REVENUES</b>	<b>680,506</b>	<b>697,610</b>	<b>690,806</b>	<b>( 6,804)</b>
OPERATING EXPENDITURES:				
Salaries and wages	174,415	160,532	138,152	22,380
Employee benefits	108,400	108,546	96,395	12,151
Compensated absences	-	-	10,680	( 10,680)
Supplies	6,620	6,620	3,354	3,266
Contracted services	2,000	2,000	869	1,131
Maintenance	90,300	93,754	99,883	( 6,129)
Insurance	95,706	104,409	78,599	25,810
Utilities and telephone				-
Motor fuel lubricants	72,000	116,022	115,934	88
Depreciation expense	264,422	264,422	225,827	38,595
Uniforms	1,450	1,655	1,707	( 52)
Memberships and training	500	500	20	480
Interest	6,134	6,134	-	6,134
Computer rental	1,000	-	-	-
Contingency	7,547	-	-	-
Training program	2,500	20	20	-
Miscellaneous	1,000	-	-	-
Professional fees	3,350	3,350	1,920	1,430
<b>TOTAL OPERATING EXPENDITURES</b>	<b>837,344</b>	<b>867,964</b>	<b>773,360</b>	<b>94,604</b>
NET OPERATING INCOME (LOSS)	<b>( 156,838)</b>	<b>( 170,354)</b>	<b>( 82,554)</b>	<b>87,800</b>
NONOPERATING REVENUE				
Interest on investments	-	13,516	14,858	1,342
Transfer from General Fund	-	-	254,636	254,636
Gain on disposal of equipment	-	-	1,156	1,156
<b>NET NON-OPERATING INCOME (LOSS)</b>	<b>-</b>	<b>13,516</b>	<b>270,650</b>	<b>257,134</b>
NET INCOME	<b>( 156,838)</b>	<b>( 156,838)</b>	<b>188,096</b>	<b>344,934</b>
NET ASSETS, beginning	1,074,748	1,074,748	1,074,748	-
<b>NET ASSETS, ending</b>	<b>\$ 917,910</b>	<b>\$ 917,910</b>	<b>\$ 1,262,844</b>	<b>\$ 344,934</b>

City of Woodhaven  
Component Unit  
Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
July 1, 2005 to June 30, 2006

DOWNTOWN DEVELOPMENT AUTHORITY FUND			
	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Current Taxes	\$ 988,625	\$ 950,459	\$ (38,166)
Investment Interest	22,500	103,416	80,916
<b>TOTAL REVENUES</b>	<b>\$ 1,011,125</b>	<b>\$ 1,053,875</b>	<b>\$ 42,750</b>
EXPENDITURES:			
Project Costs	1,001,125	257,378	743,747
Tax Tribunal Adjustments	10,000	-	10,000
<b>TOTAL EXPENDITURES</b>	<b>1,011,125</b>	<b>257,378</b>	<b>753,747</b>
Total Revenue Over (Under)			
Expenditures	-	796,497	796,497
Fund Balance, beginning	2,132,040	2,132,040	-
<b>Fund Balance, ending</b>	<b>\$ 2,132,040</b>	<b>\$ 2,928,537</b>	<b>\$ 796,497</b>



City of Woodhaven  
Combining Statement of Net Assets  
Pension Trust  
June 30, 2006

	PENSION TRUST		TOTAL PENSION TRUST FUNDS
	DEFINED BENEFIT	DEFINED CONTRIBUTION	
ASSETS:			
Cash & cash equivalents	\$ 773,760	\$ -	\$ 773,760
Investments	15,298,174	1,940,479	17,238,653
Accrued interest and dividends	71,952	-	71,952
Due from other funds	1,072,210	-	1,072,210
<b>TOTAL ASSETS</b>	<b>17,216,096</b>	<b>1,940,479</b>	<b>19,156,575</b>
NET ASSETS			
NET ASSETS:			
Net assets held in trust	17,216,096	1,940,479	19,156,575
<b>TOTAL NET ASSETS</b>	<b>\$ 17,216,096</b>	<b>\$ 1,940,479</b>	<b>\$ 19,156,575</b>

City of Woodhaven  
Combining Statement of Changes in Net Assets  
Fiduciary Funds  
Year Ended June 30, 2006

	Defined Benefit	Defined Contribution	Total Pension Trust Funds
ADDITIONS:			
Contributions			
Employer	\$ 900,539	\$ 252,093	\$ 1,152,632
Plan member	102,737	132,878	235,615
Total contributions	<u>1,003,276</u>	<u>384,971</u>	<u>1,388,247</u>
Investment Income			
Net appreciation (depreciation) in fair value of investments	443,377	110,144	553,521
Interest and dividends	537,105	2,915	540,020
Other income	1,148	-	1,148
Gain (loss) on sale of investments	607,879	-	607,879
Total investment income	<u>1,589,509</u>	<u>113,059</u>	<u>1,702,568</u>
Accrued (contributions)	(179,203)	-	(179,203)
Investment expense	<u>(55,581)</u>	<u>-</u>	<u>(55,581)</u>
TOTAL ADDITIONS	<u>2,358,001</u>	<u>498,030</u>	<u>2,856,031</u>
Deductions:			
Benefits	1,100,864	-	1,100,864
TOTAL DEDUCTIONS	<u>1,100,864</u>	<u>-</u>	<u>1,100,864</u>
CHANGE IN NET ASSETS	1,257,137	498,030	1,755,167
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
Beginning of Year	15,958,959	1,442,449	17,401,408
End of Year	<u>\$ 17,216,096</u>	<u>\$ 1,940,479</u>	<u>\$ 19,156,575</u>

City of Woodhaven  
Combining Statement of Assets and Liabilities  
Agency Funds

TAX RECEIVING FUND	COURT FUND	PAYROLL FUND	RETIRES BENEFIT	BOND COMPLIANCE FUND	TREE PLANTING FUND	ENGINEERING FEES FUND	INTEREST FUND	TOTAL AGENCY FUNDS
\$ 10,928	\$ 10	\$ 75	\$ 731,737	\$ 939,176	\$ 42,688	\$ 272,635	-	\$ 1,997,249
-	-	-	2,413	-	-	-	-	2,413
<b>10,928</b>	<b>10</b>	<b>75</b>	<b>734,150</b>	<b>939,176</b>	<b>42,688</b>	<b>272,635</b>	<b>-</b>	<b>1,999,662</b>

ASSETS:

CURRENT ASSETS:

Cash and cash equivalents  
Accrued interest receivable

**TOTAL CURRENT ASSETS**

LIABILITIES:

CURRENT LIABILITIES:

Due to General Fund  
Due to Retirement Fund  
Due to other governments  
Deferred revenue  
Taxes payable  
Bond compliance deposits  
Obligations to employees -

Retirees Benefits

**TOTAL CURRENT LIABILITIES**

7,293	-	50	-	-	-	35,546	-	42,889
-	-	-	54,025	-	-	-	-	54,025
3,635	-	-	-	-	-	-	-	3,635
-	10	-	-	-	42,688	-	-	42,698
-	-	25	-	-	-	-	-	25
-	-	-	-	939,176	-	237,089	-	1,176,265
-	-	-	680,125	-	-	-	-	680,125
<b>\$ 10,928</b>	<b>\$ 10</b>	<b>\$ 75</b>	<b>\$ 734,150</b>	<b>\$ 939,176</b>	<b>\$ 42,688</b>	<b>\$ 272,635</b>	<b>\$ -</b>	<b>\$ 1,999,662</b>

City of Woodhaven  
Water Department Fund  
Schedule of Cash Receipts and Disbursements - Restricted Accounts  
For the year Ended June 30, 2006

	ACCOUNTS			
	DEBT RETIREMENT	DEPRECIATION	SUPER SEWER	TOTAL
Cash and investments at beginning of year	\$ 127,368	\$ 635,148	\$ 237,913	\$ 1,000,429
Cash Receipts				
Interest earnings	8,752	33,785	9,254	51,791
Transfer from unrestricted	-	403,902	-	403,902
<b>TOTAL CASH AND INVESTMENTS AVAILABLE</b>	<b>136,120</b>	<b>1,072,835</b>	<b>247,167</b>	<b>1,456,122</b>
Cash Disbursements				
Transfer to unrestricted	136,120	-	-	136,120
<b>TOTAL DISBURSEMENTS</b>	<b>136,120</b>	<b>-</b>	<b>-</b>	<b>136,120</b>
<b>Cash and investments at year end</b>	<b>\$ -</b>	<b>\$ 1,072,835</b>	<b>\$ 247,167</b>	<b>\$ 1,320,002</b>